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**Country strategy and programme evaluation**  
**People's Republic of China**

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**FOR: REVIEW**

**Action:** The Executive Board is invited to review the country strategy and programme evaluation of the People's Republic of China.

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Investing in rural people

## Evaluation Committee

122<sup>nd</sup> Session

Rome, 5 September 2023

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# Country strategy and programme evaluation

## People's Republic of China

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## Executive summary

### A. Background

1. In line with the Revised IFAD Evaluation Policy, and as approved by the Executive Board 134<sup>th</sup> session in December 2021, the Independent Office of Evaluation of IFAD (IOE) has undertaken a country strategy and programme evaluation (CSPE) in the People's Republic of China. This CSPE is the second country-level evaluation conducted in China. It covers the period from 2014, when IOE conducted its first country programme evaluation, until 2022. The CSPE will inform IFAD's upcoming country strategic opportunities programme (COSOP).
2. China has been one of the largest recipients of IFAD assistance. Since 1981 when operations started in China, IFAD has provided lending to the country for a total of 33 projects and more than US\$1 billion. China is also a major contributor to IFAD's replenishment with an amount of US\$85 million pledged under the Twelfth Replenishment of IFAD's Resources (IFAD12). In 2021, China became one of the eight IFAD Member States with an active portfolio that have reached upper-middle-income country (UMIC) status and were above the Graduation Discussion Income (GDI) threshold from 2018 to 2020 (US\$7,155 per capita).
3. **Objectives and scope.** The main objectives of the CSPE were to: (i) assess the results and performance of the IFAD strategy in China as outlined in the 2011 and 2016 COSOPs, as well as understand the factors that contributed to the outcomes; (ii) identify practices and lessons that could be shared beyond the China programme; and (iii) generate findings and recommendations to inform the future partnership between IFAD and the Government of China for equitable and gender-sensitive rural development. The timeframe of the CSPE was 2014–2022. The period covered two COSOPs (the ongoing 2016 COSOP and the 2011 COSOP). The ongoing 2016 COSOP was extended in 2021 and will expire in 2024. The portfolio for the CSPE period included 14 projects, of which four are still ongoing. The reviewed portfolio of loans was worth US\$1.786 billion, which included US\$674 million of IFAD financing.
4. **Methodology and process.** The evaluation assessed the overall strategy pursued, implicit and explicit, and explored the synergies and interlinkages between different elements of the country strategy and programme, the extent to which the lending and non-lending portfolio (including grants) contributed to the achievement of the strategy, and the roles played by the Government and IFAD. The CSPE process involved virtual meetings and focus group discussions with government officials at both national and local levels. The CSPE team also interviewed IFAD staff and consultants, international institutions, NGOs and research institutions. An online stakeholder survey obtained feedback from 70 respondents. IOE had virtual wrap-up meetings with the IFAD Country Office (ICO) and the Government respectively, to share preliminary observations and findings. The wrap-up meeting with the Ministry of Finance included more than 60 representatives from the provinces online. IOE also held consultations with the China Mission in Rome and IFAD Management. The final CSPE workshop took place in Beijing on 28 June 2023.
5. **Country context.** With a population slightly above 1.4 billion people and several decades of fast economic growth, China is the second largest economy in the world. The country gained UMIC status in 2010. From 1978 to 2020, China's per capita GDP grew 8.2 per cent per year on average while the poverty rate fell by 2.3 percentage points per year. Rural poverty has declined consistently over the four decades since 1978. In 2021, the Government announced that it had reached its goal of eliminating rural extreme poverty. Although China has eradicated extreme poverty, a significant number of people remain vulnerable, with incomes below a threshold more typically used to define poverty in UMICs. In 2018, the Government initiated the Rural Revitalization Strategy, which has guided a number of policies

and reforms covering a broad range of issues such as modern farming and agricultural practices, farmers' rights to land and environmental degradation. Rural revitalization also tops the agenda of the 14th Five-Year Plan (2021–2025).

## **B. Main findings**

6. **Relevance.** The 2016 COSOP properly defined as areas of strategic focus, inclusive value chain development, cooperatives, sustainable land management and environmental and climate resilience. IFAD operations benefited from the fact that the Government had a well-articulated domestic agenda on rural poverty reduction, in which value chain development was a key component. IFAD's mainstreaming themes added value through inclusion of youth and women and attention to nutrition. The 2016 COSOP proposed greater focus on the position of rural poor in value chains, responding to the Government's interest. Cooperatives became the main vehicle to enable equitable outreach and benefits, through improved cooperative governance and ways to enhance the inclusion of poor farmers. Smallholders' rights and benefits were a stated priority for the participatory approaches to value chain and farmer cooperative development in the programme.
7. **Coherence.** IFAD has had a country office in Beijing since 2005. After the signing of the host country agreement in 2017, the country director was outposted to Beijing in March 2018. With its increased country presence, IFAD has become more visible among United Nations agencies in China. IFAD has signed the United Nations Sustainable Development Cooperation Framework (UNSDCF) up to 2025. IFAD's focus on marginal areas and rural development sets it apart from the major international financial institutions operating in China. Stakeholders see IFAD's value added in facilitating investments in smallholder agriculture and building smallholder capacities in marginal areas in China. However, IFAD's role in supporting climate change adaptation practices has not been as visible.
8. **Knowledge management.** The 2016 COSOP included an ambitious agenda for non-lending activities in China. Increased attention to knowledge management (KM), policy engagement and partnership-building was very relevant to the COSOP's objectives and strategic thrusts. The outposting of the country director in 2018 and the establishment of the South-South and Triangular Cooperation (SSTC) and knowledge centre in Beijing have led to renewed efforts in KM. The large number of knowledge products, documenting cases at project level, would have deserved more systematic processing and dissemination. Without a clear KM strategy for the country programme, activities remained ad hoc and did not support scaling up and policy engagement.
9. **South-South and Triangular Cooperation.** IFAD established the SSTC and KM centre in Beijing in 2018, at a time when it did not yet have an SSTC strategy that would have clarified its role and responsibilities. The relationship between the COSOP-related SSTC portfolio and IFAD presence in China and the SSTC Facility at IFAD's headquarters remained unclear at strategic and operational levels. The engagement in and use of SSTC remained fragmented with often unclear results and benefits in terms of partnerships and learning. Given the priority of SSTC for the Government of China and the engagement of other United Nations organizations in this area, the ICO resources and partnerships appear insufficient to raise IFAD's profile on SSTC in China. SSTC activities supported by the ICO have largely involved non-Chinese partners that were not linked to the country programme. Within China IFAD neither had the resources nor the national partners with SSTC capacity to do so.
10. **Partnerships.** Under the 2016 COSOP, IFAD has increased efforts to engage with national partners. The Ministry of Agriculture and Rural Affairs (MARA) has become directly engaged in one of the ongoing projects. The engagement with other key national players that would have been of strategic importance for IFAD remained informal. For example, IFAD did not establish a working relationship with the State

Council Leading Group Office on Poverty Alleviation (LGOP) (later the National Rural Revitalization Administration [NRRRA]) at national level, despite their leading role on poverty reduction and (later) rural revitalization. IFAD did not maintain regular engagement with the National Development and Reform Commission (NDRC) at national level, the central government agency guiding development plans at local level. UN Women was the only international partner directly contributing to IFAD's portfolio in China. Non-government partners mainly included academic and research institutions, which benefited from IFAD grants. The International Poverty Reduction Centre in China (IPRCC) has been an important partner for IFAD in SSTC. Partnerships with the private sector going beyond its participation as beneficiary of project loans or conditional grants were not common in the country portfolio. Beyond the China portfolio, IFAD initiated a number of international partnerships under the SSTC initiative.

11. **Policy engagement.** IFAD's approach to policy engagement was pragmatic and focused on raising awareness on inclusive rural development issues. While IFAD has prepared knowledge products in response to the Government's request, it was not evident that these were actually taken up by the Government. Furthermore, policy engagement did not lead to greater clarity on issues that are at the heart of IFAD's mandate, such as the role of smallholders in the modernization of agriculture in China. The main bottleneck for effective policy engagement was the absence of strategic partnerships at national and provincial levels.
12. **Effectiveness.** The country programme has made effective contributions to the 2016 COSOP's first strategic objective, to "increase smallholders' capacity and opportunities to access markets". The COSOP posted better achievements with regard to productivity enhancement and cooperative development. Achievements were mixed on agribusiness development. No achievements were recorded for inclusive finance. The programme was only moderately effective in relation to the COSOP's second strategic objective, "strengthen environmental sustainability and climate resilience". The programme showed some achievements with regard to crop diversification and sustainable land management. But overall, IFAD has missed the opportunity to align with China's new environmental agenda, through dedicated climate-smart agriculture activities or a stronger link between value chain development in poor areas and climate change adaptation.
13. **Innovation** has been high on the agenda in the two COSOPs for the review period. The 2016 COSOP defined innovation as one of IFAD's strategic thrusts. IFAD projects developed new elements mainly in three fields: agricultural production, rural development approaches and project management. New elements in agricultural production included technical improvements (e.g. using persimmon peels instead of animal manure to produce biogas; improved potato seed production). New elements in rural development approaches included enhancing smallholder participation in value chains through cooperatives and encouraging rural youth to become professional farmers. New elements in project management related to planning, monitoring and evaluation (M&E) and disbursement. Inclusive rural finance was an area where IFAD tried to introduce a number of innovations, but uptake was ultimately low. Projects reported difficulties with absorbing too many new elements simultaneously and within a short time.
14. **Efficiency.** Efficiency has been a weaker point in the portfolio. While project management costs have sharply decreased, from an average of 14 to 5 per cent, performance deteriorated from 2015 to 2019. Project management offices (PMOs) often suffered from inadequate personnel, excessive staff turnover, limited incentives and skills, and excessive workloads. PMO staff from lead agencies often had to balance other departmental duties and non-IFAD projects. Slow start-up has become a major problem affecting recent projects because of the time it took to set up decentralized implementation structures and for training on IFAD's withdrawal procedures and requirements.

15. **Rural poverty impact.** The portfolio was set in a context of rapid progress in poverty reduction. Rural households had experienced significant income gains throughout China by combining farming and migration. In addition, project counties benefited from massive government investments in infrastructure, grant programmes and technical assistance. IFAD-supported projects have made visible contributions to household livelihoods through increased productivity and incomes, and enhanced human and social capital. The earlier projects were generally effective in raising crop and livestock productivity as well as the value of production. In particular, projects combining infrastructure, technical assistance and marketing support have made a visible difference for low-income households. For the recent projects, impact surveys consistently documented how the population in project villages combined income generation from agriculture, off-farm migration and, increasingly, land rental. Households were able to increase their assets through off-farm income rather than agricultural incomes. Projects have contributed to local capacity-building through community-level infrastructure projects and support to cooperative. For government partners, projects mainly focused on individual skill building that did not result in institutional change. Frequent staff turnover in some of the provinces further impeded the integration of improved working methods.
16. **Gender equality and women's empowerment.** Participation of women in the projects was consistent throughout the period. Approaches targeting women have yielded positive results, in particular in the earlier projects, where they involved infrastructure and micro-credit benefiting women. Recent projects moved from gender mainstreaming to gender transformative approaches. Partnerships with UN Women and the All China Women's Federation (ACWF) were instrumental for moving forward the agenda in the context of the loan portfolio. The involvement of the women's federation at local level enhanced the focus on business-minded women at local levels. Other aspects of women's economic empowerment, such as women's participation in natural resource management and climate change adaptation, were less well addressed. Support to women's broad access to skill development programmes, a critical condition for empowerment outcomes in the earlier projects, could have been applied more consistently in recent projects.
17. **Environment and national resource management.** IFAD's approach to environment and natural resources management (ENRM) aimed to enhance the sustainability of existing practices, by avoiding further harm to the environment. Activities related to environmental sustainability and resilience were integrated into agricultural development, value chain development and infrastructure. Support to sustainable farming practices such as organic agriculture, the use of organic fertilizer and integrated pest management helped to reduce negative environmental impact. The environmental outcomes reported for these activities were rarely substantiated by strong evidence. Specifically, information on the actual status of water resources and the overall resource base was not available.
18. **Climate change adaptation.** The programme has enhanced farmers' resilience and adaptation to climate change through different channels, including on-farm and off-farm diversification. Irrigation, greenhouses and animal sheds allowed for intensifying production in dry environments while increasing water efficiency. Land rehabilitation through terracing, permanent tree crops and afforestation helped to control erosion. The climate finance included in recent projects supports climate information services and climate-proofed infrastructures.
19. **Sustainability and scaling up.** Support to farmer cooperatives and village implementation groups contributed to socioeconomic sustainability. Projects have established operating and maintenance groups to maintain community infrastructure, irrigation and drainage canals, village roads and safe drinking water systems and have budgeted for smaller maintenance works. The lifespan of the community-level infrastructure relied on the capacities of the newly created



cooperatives. Maintaining and operating infrastructure through recently formed groups was more difficult in poorer villages. The extent and duration of uptake of agricultural practices promoted under IFAD projects is uncertain. Insufficient access to training and poor-quality training modules have limited the sustainability of benefits in marginal areas.

20. **Scaling up.** The 2016 COSOP foresaw an implementation framework with a national level focal point to facilitate the flow of information, experiences and lessons generated by the IFAD-supported interventions, with the ultimate objective of scaling them up through government programmes. Among the four ongoing project, one project involves a central government ministry, MARA, in implementation. Concrete evidence that national Government has actually scaled up practices from IFAD-supported projects beyond the provinces has been missing. In practice, scaling up mainly occurred as a result of exchanges between stakeholders at subnational levels.
21. **IFAD performance.** IFAD has addressed earlier shortcomings with regard to project design and fiduciary oversight. Design quality has improved in the recent projects. Attention to financial management and oversight also increased, following the 2019 audit of the ICO and supervision. IFAD's direct engagement with implementing partners at local level could have been stronger. Project partners consulted during the CSPE clearly articulated the need for more hands-on guidance and presence in the field. Project designs were perceived as complex and at times would have required more timely adjustments. Resources for supervision were clearly insufficient to adequately monitor and guide such a large and disperse portfolio.
22. **Government performance.** The Government has been a collaborative partner, showing strong commitment and ownership. The coordination structure effectively involved all levels of stakeholders. The decentralized implementation set-up ensured local ownership and brought projects closer to beneficiary needs. However, implementation performance was variable. While overall counterpart funding was good, there were some cases where counties did not provide the required funding. Weak financial capacity in county PMOs and unregulated accounting and procurement practices have affected the quality of fiduciary management.

### C. Conclusions

23. **IFAD has been able to meet the Government's interest in inclusive rural value chains and climate-smart infrastructure.** The strong alignment of government and IFAD priorities has clearly benefited the country programme performance and had positive impacts on IFAD's target groups. IFAD's experience in cooperative development was a good match for the implementation of the revised farmer cooperative law (2018) and has yielded positive results in recent projects. The new generation of agribusiness projects promoting inclusive value chains through conditional grants and contracting procedures has seen promising results; this is also an area where there will be demand and a role for IFAD in the future. IFAD's focus on small-scale rural infrastructure has attracted substantial government co-funding to marginal areas and clearly benefited farmers' access to markets.
24. **The introduction of value chain approaches has led to project performance plateauing.** The legacy projects followed an integrated poverty reduction approach, which was well tested and supported by the Government, with overall good performance as well as poverty and gender impact. Under the 2011 COSOP IFAD began introducing value chain approaches. The public-private-producer partnership (4P) concept was innovative, but had insufficient government ownership at the time when it was introduced, which was the main factor explaining the low performance of the 4P pilots. Identifying effective support mechanisms for cooperatives and appropriate contractual arrangements to link

them with agribusinesses was a learning challenge and took time to evolve; this seems to have come to fruition only in the most recent generation of projects. At times implementing partners were overwhelmed by the complexity of new approaches that would take them away from what had been well tested in the past.

25. **Introducing new concepts and approaches required strong support for learning and capacity-building, which was not always a given.** The technical guidance and capacity-building needed to introduce innovative concepts and approaches at local levels often exceeded what IFAD on its own could provide and required new strategic partnerships that did not always materialize. The partnership with UN Women and ACWF was instrumental to enhance the role of businesswomen in value chains. On the other hand, there was a lack of technical support to local partners on inclusive value chain approaches and cooperative development, which has hampered implementation. Finally, the absence of strategic partnerships for the promotion of climate change adaptation and mitigation has been a factor in the limited progress seen in this area.
26. **The country programme would have required more strategic partnerships for scaling up experiences.** IFAD seeks to provide platforms for innovation and knowledge in the rural development agenda – in order to support the Rural Revitalization Strategy internally and China’s global engagement externally. However, institutional partnerships and mechanisms for scaling up are not yet effective. Only one (out of four) ongoing projects has a national partner involved (MARA). There were no partnerships with key national players in areas that are of strategic concern for IFAD, such as the LGOP/NRRA, the NDRC or the Ministry of Ecology and Environment, which would have opened up opportunities for policy engagement and scaling up. At provincial level, the main partnership was with the Department of Agriculture or Department of Agriculture and Rural Affairs. Partnerships with the provincial Poverty Alleviation and Development Office and the Development and Reform Commission seem to have provided better prospects for scaling up in some provinces. Research institutions did not have a role in scaling up of good practices from loan projects.
27. **The current COSOP, issued in 2016, was not adequate to guide the China-IFAD partnership over a period that extended up to 2024.** The 2016 COSOP recognized the changing context and the need for IFAD to adapt. It laid the foundation for the evolving partnerships between IFAD by placing greater focus on non-lending and SSTC. It correctly identified areas where IFAD could add value at that time. Because of the rapidly changing context, some of these areas, such as inclusive rural finance, were no longer relevant and were dropped. Other areas, such as pursuing the goal of a carbon-neutral rural economy, became even more important in the government agenda. The 2021 COSOP review and ensuing COSOP extension were not sufficient to reposition the programme and guide the evolving partnership.
28. **IFAD would need to integrate SSTC in its corporate approaches and the goals of the evolving partnership with China.** Given the country’s growing interest and role in international development, IFAD could have defined the strategic dimension of SSTC for the evolving partnership with China more clearly. The role of the SSTC and KM centre in Beijing was limited to providing ad hoc support to the IFAD SSTC facility in Rome. It lacked a clear strategic vision on how to position IFAD in China for longer-term SSTC. For example, the country programme could have contributed to the existing SSTC platform, the rural solutions portal, identifying, vetting and promoting practices and actors from inclusive value chains in China. In the view of stakeholders consulted during the CSPE, SSTC will be a key ingredient for the current and future partnership with China. However, as of now IFAD still has to develop a shared understanding of how to use SSTC more effectively for the evolving partnerships with UMICs.

29. **As an UMIC, China now qualifies as a recipient of loans allocated under the Borrowed Resource Access Mechanism (BRAM).** Currently there are two loans in the pipeline, which would bring China to the maximum amount of US\$168 million, the equivalent of 5 per cent of IFAD's programme of loans and grants. While BRAM loans are attractive to the Government, there are certain risks involved, which would need to be managed within the current practice of onlending to counties. First, there is an inherent foreign currency exchange risk, due to the fact that the loans are foreign currency denominated. With the depreciation of the renminbi (RMB), these loans have become more expensive than originally envisaged. In addition, there is an interest rate risk and with the United States dollar London Interbank Offered Rate (LIBOR) and Secured Overnight Financing Rate (SOFR) rising rapidly, funding that initially appeared favourable may now turn out to be more expensive than planned. Chinese counties may not be in a position to estimate and manage rising interest rates and may not be aware of the dynamics of short term rates. The shorter grace period of BRAM loans (three years) could be another disincentive for implementation.
30. **During the review period, there were critical moments in the strategy when IFAD at the corporate level could have shown stronger leadership and vision on where it wants to go with the partnership with China.** Critical moments included the establishment of the SSTC and KM centre in 2018, the completion review of the 2016 COSOP in 2021 and the conceptualization of the IFAD12 pipeline projects funded under the BRAM modality. The CSPE results show that the programme has not yet put into place the capacities and partnerships to take the engagement with China to a new level. The remaining COSOP period will have to be used to address some of the gaps and to position IFAD better for support of innovation, knowledge sharing and SSTC in areas where there is strong demand and mutual interest. China will remain an important partner; IFAD will have to redefine and step up its role for a longer-term partnership at eye-level.

#### **D. Recommendations**

31. The evaluation led to five recommendations that are intended to guide the evolving IFAD-China partnership for the period leading up to the 2025 COSOP and beyond. The IFAD12 pipeline projects provide an opportunity to further test innovative approaches and review lessons in areas of strategic concern in preparation for the 2025. The new 2025 COSOP would need to clarify the strategic positioning of IFAD in China and the modalities used to support the partnership between China and IFAD. The new COSOP would clarify the strategic focus of the country programme with regard to: (i) generating effective and sustainable rural institutions; (ii) promoting global public goods; and (iii) fostering innovations. The five recommendations are summarized below; the full recommendations, including sub-recommendations, are included in the report (chapter V.B.).
32. **Recommendation 1. In preparation for the 2025 COSOP, position the China programme for strategic support to inclusive value chains through different modalities.** Targeted support to cooperatives, with a focus on inclusive mechanisms and sustainable capacity-building, will continue to be an important approach; lessons would need to be captured systematically. The design of pipeline projects should incorporate the identified good institutional practices for further testing and scaling up. IFAD should define a new concept to describe the value chain operators that act in line with IFAD's global strategy and principles.
33. **Recommendation 2. The 2025 COSOP should clearly establish IFAD's comparative advantage on environmental sustainability and climate change resilience, with a focus on marginal areas and smallholders.** Sustainable natural resource management and climate change mitigation and adaptation will be important themes, within the context of rural development in China and as a global public good beyond China. The 2025 COSOP should clearly state the focus on ENRM and climate change in loans targeted at marginal areas

and smallholders. The 2025 COSOP should align its support to climate-smart agriculture with national policies. The 2025 COSOP should also clarify how IFAD would enhance its positioning in those areas through knowledge sharing and SSTC.

34. **Recommendation 3. The 2025 COSOP should clarify how IFAD will expand the pool of strategic partners, with a focus on innovation, scaling up and knowledge sharing in clearly identified thematic areas.** IFAD should consolidate links with national partners – including private partners – and provide spaces for piloting and scaling up solutions in cooperation with strategic partners. Going forward, existing platforms, such as the Rural Solutions Portal, should be used more effectively to promote good institutional practices and inclusive and sustainable businesses.
35. **Recommendation 4. In preparation for the 2025 COSOP, develop a strategic vision and clarify the role for IFAD in China on SSTC.** IFAD urgently needs to seek clarity on the objectives of SSTC in China and ensure that the required capacities are in place and effective. The 2025 COSOP should clarify the added value of SSTC to develop the longer-term partnership between China and IFAD, for instance around global public goods. The 2025 COSOP results management framework (RMF) should include SSTC as a consolidated pillar for the partnership between China and IFAD, contributing to mutual benefits in terms of knowledge, resources and partnerships.
36. **Recommendation 5. Facilitate China’s access to BRAM resources. From a technical perspective, there are good reasons for keeping China as a borrower.** As a borrower of BRAM resources, China does not crowd out any other lesser rated borrowing country and, through its own credit rating, helps IFAD in its portfolio management. For the upcoming two loans under the BRAM modality, IFAD would need to support the Government in managing the risks. To avoid adverse effects on project results, IFAD may therefore consider adjusting the grace period to match the project implementation period. Once IFAD has introduced fixed rate loans, it should offer the next loans to China not only in floating rate United States dollars but also on a fixed rate basis.

## Agreement at Completion Point

### A. Introduction

The Independent Office of Evaluation of IFAD (IOE) conducted the second Country Strategy and Programme Performance Evaluation (CSPE) in China in 2022. It covered the period since the last CSPE conducted in 2014.

The **main objectives of the CSPE** were to: (i) assess the results and performance of the IFAD strategy in China as outlined in the 2011 and 2016 COSOPs, as well as understand the factors that contributed to the outcomes; (ii) identify practices and lessons that could be shared beyond the China Programme; and (iii) generate findings and recommendations to inform the future partnership between IFAD and the Government of China for equitable and gender-sensitive rural development. The timeframe of the CSPE was 2014-2021. The period covered two COSOPs (the ongoing 2016 COSOP and the 2011 COSOP).

This **agreement at completion point (ACP)** contains recommendations based on the evaluation findings and conclusions presented in the CSPE report, as well as proposed follow-up actions as agreed by IFAD and the Government. The signed ACP is an integral part of the CSPE report in which the evaluation findings are presented in detail, and will be submitted to the IFAD Executive Board as an annex to the new country strategic opportunities programme for China. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.

### B. Recommendations and proposed follow-up actions

The evaluation led to five recommendations that are intended to guide the evolving IFAD-China partnership for the period leading up to the 2025 COSOP and beyond. The IFAD12 pipeline projects provide an opportunity to further test innovative approaches and review lessons in areas of strategic concern in preparation for the 2025. The 2025 COSOP would need to clarify the strategic positioning of IFAD in China and the modalities used to support the partnership between China and IFAD. The new COSOP (2025), would clarify the strategic focus of the country programme with regard to (i) generating effective and sustainable rural institutions; (ii) promoting global public goods; and (iii) fostering innovations.

Recommendation 1: In preparation for the 2025 COSOP, position the China programme for strategic support to inclusive agricultural value chains through different modalities. Targeted support to cooperatives, with focus on inclusive mechanisms and sustainable capacity building, will continue to be an important approach; lessons would need to be captured systematically. A systematic review of the experiences with institutional arrangements, including 4Ps, for value chain support would enable IFAD to identify to position itself more clearly for the support of inclusive and sustainable value chains, within and beyond China. A light review of financial support mechanisms for cooperatives and entrepreneurial households might also be useful.

- (a) Under the ongoing COSOP, the design of pipeline projects should incorporate the identified **good institutional practices** on for further testing and scaling up



- (b) In preparation for the 2025 COSOP, IFAD should define the concept of inclusive and sustainable value chains in line with IFAD's global strategy and principles.
- (c) IFAD should define the term "smallholders" in the context of the developing rural economy in China. At the same time, it should be consistent in safeguarding **smallholders' land tenure** applying SECAP in land contracts.
- (d) The 2025 COSOP should propose a platform to learn both directions (from and to China) on inclusive and sustainable value chains in marginal rural areas. **Nurturing initiatives from the business sector as partner**, and attracting value chain operators whose business model calls for inclusivity and equitable benefits.

**Proposed Follow-up:** The government of China and IFAD agree with the recommendation to prioritize China program on inclusive agricultural value chain adopting diversified models of benefiting target groups while following a private sector involved and market driven approach. This is well aligned with the rural revitalization strategy in sense of promoting thriving industry to benefit the rural population. Proper analysis of past experiences in IFAD of rural based agro-industry development for poverty reduction will be undertaken along the process of developing the new COSOP to inform the viable options, this shall also include sustainable financing for both the private sector and target groups in these models and in the context of rural transformation. Continued learning and improvement will be maintained relating to the subject during the implementation of next COSOP, to feed into the SSTC activities of the country program and/or other partners. It is also agreed that SECAP will be adequately applied in line with IFAD requirements, in both COSOP and future projects to mitigate related risks and safeguard beneficiary rights including in the rights to contractual management of land.

*Responsible partners: IFAD and the Government of China*  
*Timeline: 2023 onwards*

Recommendation 2: The 2025 COSOP should clearly establish IFAD's comparative advantage on environmental sustainability and climate change resilience, with focus on marginal areas and smallholders. Sustainable natural resource management and climate change mitigation and adaptation will be important themes, within the context of rural development in China and as global public good beyond China. The 2025 COSOP should clearly state the focus on ENRM and climate change in loans targeted at marginal areas and smallholders. The 2025 COSOP should align its support to climate-smart agriculture with national policies. The 2025 COSOP should also clarify how IFAD would enhance its positioning in those areas through knowledge sharing and SSTC.

IFAD should define its upcoming geographical strategy, taking into account the views of its national partners. This will lead to define **climate related opportunities and constraints** of the targeted areas.

IFAD should also seek to contribute to **China's carbon neutral economy goal** in the rural **areas**, engaging not only in adaptation but also in mitigation and carbon sinks – with a view to generating lessons learnt of relevance to IFAD's work in other countries. When value chain operators engage in carbon markets, IFAD should promote arrangements that put rural communities at the centre.

Upcoming operations should increase focus on **preserving and enhancing agrobiodiversity and sustainable land management at landscape level**. IFAD may need to mobilise technical assistance to extension services and cooperatives at

local level, to increase awareness and knowledge on adaptation, limit the use of chemicals, and support integrated animal farming and agroforestry.

**IFAD** must ensure that there is sufficient **technical capacity in the country** to support the design and implementation of climate change adaptation pilots. This may include capacities mobilised through partnerships with government agencies and research organisations in China.

**Proposed Follow-up:** The government of China and IFAD agree that the new COSOP, to be designed in 2024 and submitted to the IFAD Executive Board in December 2024, shall highlight strategic objectives of green and sustainable development of the agricultural sector, exploring low carbon practices and enhancing climate resilience of the sector and the rural population, while building institutional capacities for better planning and managing the relevant strategies and actions.

Responsible partners: IFAD and the Government of China

Timeline: December 2024

Recommendation 3: The 2025 COSOP should clarify how IFAD will expand the pool of strategic partners, with focus on innovation, scaling up and knowledge sharing in clearly identified thematic areas. IFAD should consolidate links with national partners – including private partners– and provide spaces for piloting and scaling up solutions in cooperation with strategic partners. Going forward, existing platforms, such as the Rural Solutions Portal, should be used more effectively to promote good institutional practices and inclusive and sustainable businesses. In preparation for the upcoming COSOP:

Expand partnerships with **think-tanks and research organisations** with a proven expertise on inclusive value chains and climate change adaptation. The aim of these collaborations would be to identify and package good practices from IFAD-supported interventions for knowledge sharing, policy engagement and SSTC.

**Establish a direct relationship with NRRA, through preparation of a MoU proposing joint activities for the upcoming COSOP.** The aim of the MoU would be to sharpen the definition of IFAD's core target groups (smallholders, vulnerable households) and define targeting strategies for the upcoming COSOP. Further activities might include support to establishing a database for monitoring the outreach to IFAD's target groups at country programme level.

**Enter into a direct relationship with the NDRC at national level.** The involvement of NDRC would get IFAD in a better position to engage with government institutions on policy issues and development practices more effectively. The NDRC is the most influential ministry for national-level development policy-making, planning and coordination with line ministries in implementing policies and development plans. IFAD should prepare a MoU with the NDRC for joint activities under the upcoming COSOP. Activities might include the joint evaluation of innovative pilot projects and uptake of good practices at provincial and national levels.

**Review the relevance and usability of the existing Rural Solutions Portal;** Consolidate and update vetted Chinese solutions in core thematic areas (related to Global Public Goods) continuously; Chinese participants in this portal should comply with inclusive and sustainable business criteria.



**Further shape and facilitate multi-lateral dialogues on good practices** in areas of strategic focus, to the benefit of GoC and other partners involved.

**Proposed Follow-up:** The government of China and IFAD agree that partnership for effective knowledge management, innovation and scaling up will be an essential focus in the new COSOP. A partnership strategy shall be developed along the process of finalizing the new COSOP, focusing on the key thematic areas of the new COSOP outlining outcome areas, supportive arrangements including resources and functioning mechanisms. Partnering with relevant government ministries and agencies will be coordinated through MOF as IFAD's in-country focal ministry. Annual plans for realising the partnership strategy will be made during the implementation of the new COSOP, to be appraised through COSOP Results Review. Update of the strategy may be made as necessary in view of the evolving country context and dynamics. Knowledge management and partnership focal point(s) will be designated in the IFAD China Office for the related businesses.

Responsible partners: IFAD and line ministries

Timeline: 2023 onwards

**Recommendation 4: In preparation for the 2025 COSOP, develop a strategic vision and clarify the role for IFAD in China on SSTC.** IFAD urgently needs to seek clarity on the objectives of SSTC in China and ensure that the required capacities are in place and effective. IFAD should establish SSTC as a vision for the long-term partnership with China.

IFAD should take advantage of the remaining two years of the current COSOP period to effectively reposition SSTC as a key modality for IFAD's engagement and partnership with China in the future, based on a clearer understanding of goals and means to achieve these. In preparation for the upcoming COSOP, prepare a background paper for SSTC as a modality for long-term partnerships with UMICs and conduct an in-depth mapping of available solutions in current country portfolio; Include SSTC in the upcoming COSOP; clarify areas thematic focus, main strategic partners, available resources and institutional arrangements.

The 2025 COSOP should clarify the added value of SSTC to develop the longer-term partnership between China and IFAD, for instance around global public goods. The COSOP would identify at least five core thematic areas (related to Global Public Goods) which can structure the SSTC engagement in the medium term. It would identify specific added values and comparative advantages of IFAD in comparison with other UN agencies supporting China's SSTC. The COSOP would position IFAD, as a partner for China's SSTC both at the country level and internationally. The COSOP would lay out a process for continuously reviewing SSTC experiences and sharing lessons learned with other UMICs.

The 2025 COSOP RMF should include SSTC as a consolidated pillar for the partnership between China and IFAD, contributing to mutual benefits in terms of knowledge, resources and partnerships. The COSOP RMF would provide clarity of measurable mutual benefits for IFAD and China partnering around SSTC. It would clarify IFAD's contributions to China's role as a provider of specialized solutions for Global Public Goods and the post-2030 frameworks of international development goals. It would consolidate IFAD's approach to SSTC as a modality to manage partnerships with UMICs in the short and medium term; and position IFAD in relevant international platforms.



**Proposed Follow-up:** IFAD and the government of China recognize the need to develop a strategic vision on future partnership and SSTC, as well to clarify the role of IFAD in China on SSTC. At the corporate level, IFAD shall undertake a comprehensive review to the experience of SSTC Facility and explore to embark on new round(s) of SSTC partnership at the institutional level, from there outlining the objectives of such partnership, and the instruments and key in-country strategic partners to achieve them. The SSTC and Knowledge Regional Centre in Beijing/ China Country Office shall be able to provide space and channels for collaboration among development partners in the Global South – including government agencies, academic institutions, and private partners, both in China and in the region – to exchange knowledge as well as pilot and scale up development solutions. At the country level, IFAD and the government of China agree that the new COSOP shall clarify the thematic focus areas of SSTC in both lending and non-lending activities, and in-country and internationally, which shall aim to complement China’s role as a provider of specialised solutions for global development goals. The new COSOP shall also outline what resources and mechanisms can be exploited to support the SSTC undertaking.

Responsible partners: IFAD and the government of China

Timeline: 2023 onwards

**Recommendation 5: Facilitate China’s access to BRAM resources.** From a technical perspective, there are good reasons for keeping China as a borrower. As a borrower of BRAM resources, China does not crowd-out any other lesser rated borrowing country and, through its own credit rating, helps IFAD in its portfolio management. China provides a positive uplift of the credit rating of IFAD’s BRAM portfolio because of its A+ rating by Standard & Poors and A1 by Moody’s. China’s loans therefore help IFAD maintain the targeted BRAM portfolio rating of BB, which in turn is an important factor for IFAD’s own credit rating, which is AA+ by both Standard & Poor’s and Fitch.

**For the upcoming two loans under the BRAM modality, IFAD would need to support government in managing the risks.** First of all, IFAD would need to ensure that borrowers are fully aware of the risks of ordinary and BRAM loans. In China the ultimate borrowers are the counties in the provinces. These counties bear the FX risk inherent in the fact that the loans are foreign currency denominated. Equally, the counties bear the interest rate risk and with USD Libor and SOFR rising rapidly, funding that appeared initially cheap, may now turn out to be more expensive than planned. Chinese counties may not be in a position to estimate, let alone manage rising interest rates and may not be aware of the dynamics of short-term rates.

To avoid adverse effects on project results, IFAD may therefore consider adjusting the grace period to match the project implementation period. BRAM loans have a shorter grace period than previous loans in China. Whilst previously China had negotiated a five-year grace period on its IFAD loans, BRAM loans foresee a grace period of three years, which is significantly shorter than the normal implementation period. IFAD may also consider a shorter maturity or a prepayment if China’s GDP exceeds certain thresholds for the two loans that are currently in the pipeline.

Once fixed rate loans are introduced by IFAD, IFAD should offer upcoming loans to China not only in floating rate USD but also on a fixed rate basis. China seeks to continue to be a borrowing member in other DFIs. It is to be expected that China

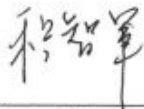
will aim to borrow the maximum amounts allocated according to the BRAM limits. Fixed rate loans would reduce the above risks for the borrowers.

**Proposed Follow-up:** IFAD and the government of China appreciate the recommendation. This said, IFAD has no specific proposals as to how its lending terms will be further developed at present including whether these would include a fixed rate. In the past, fixed spreads were offered but these have been currently suspended, which matches similar approaches by other IFIs. On the grace period, we would note that the current pricing terms were approved by the Board following extensive discussions regarding the differentiation to be introduced between higher and lower income borrowers and to date no other borrower in the same category as China has requested a waiver. This may be considered in the IFAD13 replenishment discussions. We would suggest that China considers further instruments by which to interact with IFAD, including RTA and guarantees. IFAD and the government of China may explore innovative co-financing arrangement to soften the lending terms with domestic financing in selected project(s) while enhancing project impact. IFAD shall organize updates and briefing sessions for the in-country clients on the dynamics of the lending terms and potential new instruments to the country and the associated rewards and risks.

Responsible partners: IFAD and the government of China

Timeline: 2023 onwards

**Signed by:**



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Mr Cheng Zhijun  
Director-General, International Economic and Financial Cooperation Department  
Ministry of Finance,  
Government of P.R. China

Date: 12/9/2023



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Mr Donal Brown  
Associate Vice-President, Programme Management Department  
International Fund for Agricultural Development

Date: 11/09/2023

# Main Report

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The appendices are available upon request from the Independent Office of Evaluation of IFAD ([evaluation@ifad.org](mailto:evaluation@ifad.org)).

## **Currency equivalent, weights and measures**

### **Currency equivalent**

Currency unit = Chinese Yuan (CNY)

USD 1.0 = CNY 6.1 (2014)

USD 1.0 = CNY 6.94 (December 2022)<sup>1</sup>

### **Weights and measures**

International metric system, unless specifically described in text, except:

1 Ha = 15 mu

1 mu = 0.067 Ha

1 kg = 2 jin

1 jin = 0.5 kg

---

<sup>1</sup> Un exchange rate end of December 2022

## Abbreviations and acronyms

|         |  |
|---------|--|
| 4P      | Public-Private-Producer Partnership  |
| ACWF    | All-China Women's Federation   |
| ADB     | Asian Development Bank   |
| ADBC    | Agricultural Development Bank of China   |
| AIIB    | Asian Infrastructure Investment Bank   |
| ARRI    | Annual Report on Results and Impact of IFAD Operations                         |
| AWPB    | Annual Work Plan and Budget  |
| BRAM    | Borrowed Resources Access Mechanism  |
| CAAS    | Chinese Academy of Agricultural Sciences                                       |
| CAU     | China Agricultural University  |
| CIDCA   | China International Development Cooperation Agency                             |
| CIKD    | Centre for International Knowledge on Development                              |
| COSOP   | Country Strategic Opportunities Programme                                      |
| CPE     | Country Programme Evaluation   |
| CPMO    | County Project Management Office   |
| CSPE    | Country Strategy and Programme Evaluation                                      |
| DAPRP   | Dabieshan Area Poverty Reduction Programme                                     |
| DARA    | Department of Agriculture and Rural Affairs                                    |
| DOF     | Department of Finance  |
| DRC     | Development and Reform Commission  |
| ECPRP   | Environment Conservation and Poverty Reduction Programme in Ningxia and Shanxi |
| EFA     | Economic and Financial Analysis  |
| FAO     | Food and Agriculture Organization  |
| FECC    | Foreign Economic Exchange Center   |
| GDI     | Graduation Discussion Income   |
| GDP     | Gross Domestic Product   |
| GIADP   | Guangxi Integrated Agricultural Development Project                            |
| H2RDP   | Hunan Rural Revitalization Demonstration Project                               |
| HARIIP  | Hunan Agricultural and Rural Infrastructure Improvement Project                |
| ICO     | IFAD Country Office  |
| IFAD    | International Fund for Agricultural Development                                |
| IFPRI   | International Food Policy Research Institute                                   |
| IMARRAP | Inner Mongolia Autonomous Region Rural Advancement Programme                   |
| INBAR   | International Network for Bamboo and Rattan                                    |

|           |  |
|-----------|--|
| IOE       | Independent Office of Evaluation   |
| IPRAD-SN  | Innovative Poverty Reduction Programme:<br>Specialized Agribusiness Development in Sichuan and Ningxia |
| IPRCC     | International Poverty Reduction Centre in China  |
| JiMAAPP   | Jiangxi Mountainous Areas Agribusiness Promotion Project   |
| LGOP      | State Council Leading Group Office on Poverty Alleviation  |
| M&E       | Monitoring and Evaluation  |
| MARA      | Ministry of Agriculture and Rural Affairs  |
| MCDF      | Multilateral Cooperation Centre for Development Finance  |
| MOA       | Ministry of Agriculture  |
| MOF       | Ministry of Finance  |
| MOFA      | Ministry of Foreign Affairs  |
| MRDP-XUAR | Modular Rural Development Programme-Xinjiang Uygur Autonomous Region                                   |
| MTR       | Mid-Term Review  |
| NRRA      | National Rural Revitalization Administration   |
| NDRC      | National Development and Reform Commission   |
| O&M       | Operation and Maintenance  |
| ORMS      | Operational Results Management System  |
| PADO      | Poverty Alleviation and Development Office   |
| PBAS      | Performance-Based Allocation System  |
| PCR       | Project Completion Report  |
| PCRv      | Project Completion Report Validation   |
| PMO       | Project Management Office  |
| POLG      | Programme of Loans and Grants  |
| PPMO      | Provincial Project Management Office   |
| PRC       | People's Republic of China   |
| QL-MAPRP  | Qinghai Liupan Mountain Area Poverty Reduction Project   |
| RIMS      | Results and Impact Management System   |
| SCIO      | State Council Information Office   |
| SPRAD-SS  | Sustaining Poverty Reduction through Agribusiness Development in South Shaanxi                         |
| SSADeP    | Shiyan Smallholder Agribusiness Development Project  |
| SSB       | State Statistical Bureau   |
| SSTC      | South-South and Triangular Cooperation   |
| UMIC      | Upper Middle-Income Country  |
| UN        | United Nations   |
| UNDAF     | UN Development Assistance Framework  |

|        |   |
|--------|---|
| UNSDCF | UN Sustainable Development Cooperation Framework  |
| VIG    | Village Implementation Group                      |
| WFP    | World Food Programme                              |
| Y2RDP  | Yunnan Rural Revitalization Demonstration Project |
| YARIP  | Yunnan Agricultural and Rural Improvement Project |

# Country Strategy and Programme Evaluation People's Republic of China

## Background

### Introduction

1. In line with the International Fund for Agricultural Development (IFAD) Evaluation Policy and as approved by the 134<sup>th</sup> Session of the IFAD Executive Board in December 2021, the Independent Office of Evaluation (IOE) has undertaken a country strategy and programme evaluation (CSPE) in the People's Republic of China.<sup>2</sup> This CSPE is the second country-level evaluation conducted in China. It covers the period since 2014, when the first country programme evaluation (CPE) was carried out, to end 2022. It will inform the upcoming country strategic opportunities programme (COSOP) in 2024.
2. China has been one of the largest recipients of IFAD assistance. Since 1981 when operations started in China, IFAD has provided lending to the People's Republic of China for a total of 33 projects and more than USD 1 billion (see table 1). Lending was on highly concessional and intermediate terms until 2011 and on ordinary terms thereafter. China is also a major contributor to IFAD's replenishment with an amount of USD 85 million pledged under IFAD12. In 2021, the People's Republic of China became one of the eight IFAD Member States with an active portfolio that have reached upper-middle income country (UMIC) status and were above the Graduation Discussion Income (GDI) threshold from 2018-2020 (US\$7,155).<sup>3</sup>

**Table 1**  
**Snapshot of IFAD operations in China since 1981**

|  |   |
|--|---|
| <b>Number of approved loans</b>                        | <b>33</b>   |
| <b>On-going projects</b>                               | <b>4</b>  |
| <b>Total amount of IFAD lending (1981-2021)</b>        | <b>USD 1,149.3 million (5% of total IFAD financing)</b>   |
| <b>Counterpart Government funding (1981-2021)</b>      | <b>USD 1,357.9 million (118% of IFAD lending)</b>   |
| <b>Beneficiary contributions (1981-2021)</b>           | <b>USD 178 million (15% of IFAD lending)</b>  |
| <b>Co-financing amount (local) (1981-2021)</b>         | <b>USD 1,616 million (140% of IFAD lending)</b>   |
| <b>Co-financing amount (international) (1981-2021)</b> | <b>USD 96.5 million (8% of IFAD lending)</b>  |
| <b>Total portfolio cost (1981-2021)</b>                | <b>USD 2,988.8 million</b>  |
| <b>Lending terms</b>                                   | <b>Ordinary terms (since 2011)</b>  |
| <b>Main co-financier</b>                               | <b>Government of China (USD 1,357.9 million)</b>  |
| <b>COSOPs</b>  | <b>2006-2010, 2011-2015; 2016-2020 (extended to 2024)</b>   |
| <b>Country Office</b>                                  | <b>Country office since 2005; host country agreement signed in 2017. ICO became SSTC and Knowledge Centre in the Asia and the Pacific in 2018. Country Director out-posted since 2018.</b>                                      |
| <b>Country Directors</b>                               | <b>Since 1981 nine CDs, including T. Rath, S. Jatta; M. Marchisio (07/2014 – 12/2022); N. Quaye-Kumah (since 12/2022)</b>   |
| <b>Main government partners</b>                        | <b>Ministry of Finance (MOF), Ministry of Agriculture and Rural Affairs (MARA), State Council Leading Group Office on Poverty Alleviation (LGOP), National Development and Reform Commission (NDRC), Provincial Governments</b> |

<sup>2</sup> IFAD. EB 2021/134/R.3/Rev.1. <https://webapps.ifad.org/members/eb/134/docs/EB-2021-134-R-3-Rev-1.pdf>

<sup>3</sup> IFAD Graduation Policy. 2021 (EB 2021/133/R.5)



Source: OBI.

## Objectives, methodology and processes

3. **Objectives.** The main objectives of the CSPE are to: (i) assess the results and performance of the IFAD strategy in China as outlined in the 2011 and 2016 COSOPs, as well as understand the factors that contributed to the outcomes; (ii) identify practices and lessons that could be shared beyond the China Programme; and (iii) generate findings and recommendations to inform the future partnership between IFAD and the Government of China for equitable and gender-sensitive rural development.
4. **Scope.** The timeframe of the CSPE is 2014-2022. The period covers two COSOPs (the ongoing 2016 COSOP and the previous, 2011 COSOP). The portfolio for the CSPE period includes 14 projects of which four were completed since the 2014 CPE and four are still ongoing. The reviewed portfolio of loans is worth USD 1.786 billion, which includes USD 674 million of IFAD financing.

**Table 2**  
**CSPE loan portfolio**

| PROJECT NAME | Province         | Available for disbursement | Completion date                       | Available Evaluations  |   |
|--------------|------------------|----------------------------|---------------------------------------|--|---|
| ECPRP        | Ningxia, Shanxi  | 11/02/2005                 | 31/12/11                              | IOE PPE (2016)   |   |
| MRDP-XUAR    | Xinjiang         | 29/04/2008                 | 30/06/14                              | IOE PCRV (2016)  | <b>Legacy projects</b><br>Evidence on scaling up and lessons learned  |
| IMARRAP      | Inner Mongolia   | 12/11/2008                 | 31/12/14                              | IOE CPE (2014) case study, IOE PCRV (2017)                               |   |
| DAPRP        | Henan            | 19/08/2009                 | 30/09/15                              | IOE PCRV (2017)  |   |
| GIADP        | Guangxi          | 20/01/2012                 | 31/03/17                              | IOE CPE (2014) case study, RIA Impact assessment (2018), IOE PCRV (2019) |   |
| HARIIP       | Hunan            | 21/09/2012                 | 30/09/17                              | IOE PPE (2020)   | <b>2011 COSOP projects</b><br>Evidence on all evaluation criteria; lessons learned                                      |
| YARIP        | Yunnan           | 31/03/2013                 | 31/03/18                              | IOE PCRV (2020)  |   |
| SSADeP       | Hubei            | 30/01/2014                 | 31/03/19                              | IOE PCRV (2020)  |   |
| JiMAAPP      | Jiangxi          | 15/02/2015                 | 30/06/20                              | IOE PCRV (2021)  |   |
| QL-MAPRP     | Qinghai          | 04/11/2015                 | 31/12/20                              | IOE PCRV (2022)  |   |
| IPRAD-SN     | Ningxia, Sichuan | 30/10/2018                 | 31/12/2024                            | ONGOING  | <b>2016 COSOP projects</b><br>Evidence on relevance, efficiency, coherence;<br>Other evaluation criteria as applicable. |
| SPRAD-SS     | Shaanxi          | 07/05/2018                 | 31/12/2023 (extended from 30/06/2023) | ONGOING  |   |
| Y2RDP        | Yunnan           | 15/06/2020                 | 30/06/2025                            | ONGOING  |   |
| H2RDP        | Hunan            | 05/02/2021                 | 31/03/2026                            | ONGOING  |   |

Source: Elaborated from Operational Results Management System (ORMS) data, 2014 CPE. Figure 1 in Annex VII shows the PCRV ratings.

5. **Loan portfolio.** The loan portfolio for the CSPE period includes all projects that were ongoing or approved since the 2014 CPE. For the purpose of this evaluation, and in recognition of their respective status of completion, the projects were divided into three groups: legacy projects approved under previous COSOPs that were completed after the 2014 CPE; projects approved under the 2011 COSOP; and projects approved under the 2016 COSOP. The legacy projects, designed under previous COSOPs, provided evidence on scaling up and lessons learned that had informed the current programme.
6. **Non-lending activities.** Following the out-posting of the country director in 2018, IFAD broadened its partnerships and became more present in country processes and platforms. The 2016 COSOP review referred to activities such as: increased engagement in country dialogue platforms; increased request for policy notes by Chinese Government; various advocacy campaigns; partnership with the Chinese Academy of Agricultural Sciences (CAAS) for strengthening knowledge management in the portfolio; production of various analytical works in partnership with various research institutions. The grants documents provide additional evidence on activities and initiatives implemented in knowledge management, SSTC and partnerships, as well as on how such activities have supported policy engagement and institutional capacity building at different levels. Analysis of the grant portfolio also shed light on whether and how grants, including in-loan grants, have supported 2016 COSOP strategic thrust and in particular innovation and scaling up.
7. **Methodology.** The evaluation assesses the overall strategy pursued, implicit and explicit, and explores the synergies and interlinkages between different elements of the country strategy and programme, the extent to which the lending and non-lending portfolio (including grants) contributed to the achievement of the strategy, and the role played by the Government and IFAD. The CSPE draws from the findings of earlier project-level evaluations in the country and assembles additional evidence.
8. The CSPE followed the updated IFAD evaluation manual (2022) and, based on a thorough desk review, produced an approach paper and a theory of change (see Annex II). The approach paper presents the evaluation methodology in detail. The theory of change identifies the impact pathways that guided the elaboration of hypotheses and expected results. It also helped define the main evaluation questions (see Annex III):
  - (a) What were the main reasons for the performance in the China strategy and portfolio, and what were areas for improvement?
  - (b) What were the institutional changes and innovations under the 2016 COSOP, and to what extent did they help to improve project performance?
  - (c) To what extent was IFAD able to enhance its comparative advantage and value-added, with greater focus on knowledge management, innovation and scaling up?
  - (d) What are the lessons and recommendations that should inform the new COSOP in 2024?
9. **Process.** IOE finalized the approach paper in May 2022. Virtual meetings with stakeholders started in July and lasted until October 2022. Key informant interviews and Focus Group Discussions (FGDs) involved government officials at both national and local levels, IFAD staff and consultants, international institutions, non-governmental organizations (NGOs), as well as research institutions (see Annex XI). An online stakeholder survey obtained feedback from 70 respondents, including 37 per cent IFAD staff and consultants, 31 per cent project and government staff (among which 12 respondents were from provincial governments), and 32 per cent international, non-governmental and other private institutions. Respondents provided feedback on IFAD's role and comparative advantage, IFAD's areas of

technical strengths, programme effectiveness, programme design and efficiency, value for money, sustainability and scaling up, issues to be resolved, as well a future area of focus for IFAD in China (see Annex IX).

10. IOE had virtual wrap up meetings with the IFAD country office (ICO) (on 18 October 2022) and with Government (on 16 November 2022), to share preliminary observations and findings. The wrap up with Government was hosted by the MOF and included more than 60 participants online (see Annex XI). Both meetings provided valuable suggestions, which are reflected in the report.
11. IOE also held consultations with the China Mission in Rome and IFAD Management on forward looking issues, namely SSTC and the BRAM, and their implications for the upcoming COSOP.
12. **Limitations.** Due to COVID-19-related travel restrictions, evaluation team members could not visit the country. To ensure an adequate coverage of evidence, qualitative interviews, extensive literature review and an online stakeholder survey complemented this CSPE to the extent possible and allowed triangulation of quantitative and qualitative information.
13. The evaluation has benefitted from ample data available for a large portfolio, which enabled identification of overall patterns and progress. Despite the overall good data situation, the CSPE team noted a lack of granularity in the individual project reports. Progress on project activities and achievements were not sufficiently reported to clearly describe what had been done (and what not) and what had been achieved. The specific approaches taken in the projects, how these differed between projects and how successful they were in the end, were not well explained. The wrap up meeting hosted by MOF was useful as it helped to address queries in relation to individual projects.

#### Key points

- This is the second country programme evaluation for China. The first China CPE was completed in 2014. The review period covers two COSOPs (2011 and 2016) and 14 projects, four of which were ongoing at the time of this CSPE.
- The CSPE reviewed the loan portfolio according to three groups: Legacy projects, 2011 COSOP and 2016 COSOP.
- The grant documents provided additional evidence on knowledge management, SSTC and partnerships.
- This CSPE faced some limitations: mixed quality of data, mission restriction, lack of access to national and project MIS databases.

## Country context and IFAD's strategy and operations for the CSPE period

### Country context

14. **Economic situation.** With a population slightly above 1.4 Billion people and several decades of fast economic growth, China is the second largest economy in the world and its economy is continuing to grow.<sup>4</sup>China was a lower-middle-income country since 2001. It then became an upper-middle-income country (UMIC) in 2010, when its Gross National Income (GNI) reached the World Bank UMIC threshold (USD4,046). Agriculture, forestry and fishing industry accounted for 8.6

<sup>4</sup> China State Statistical Bureau (SSB) (2021b). Total population was 1.41 Billion people for Chinese mainland..

per cent of GDP in 2014 and 7.3 per cent in 2021.<sup>5</sup>Employment in agriculture accounted for 30 per cent of the labour force in 2014 and 25 per cent in 2019.<sup>6</sup>

15. **Covid-19 Pandemic.** The COVID-19 pandemic caused systematic disruptions in the rural economy, especially in the early stages. China's gross domestic product (GDP) decreased by 6.8 per cent in the first quarter of 2020, affecting the secondary sector in particular, which decreased by 9.6 per cent, while the primary sector decreased by 3.2 per cent.<sup>7</sup>The GDP annual growth slightly increased from 2.2 per cent in 2020 to 8.1 per cent in 2021.<sup>8</sup>Small and medium sized enterprises (SMEs) and self-employed businesses have ceased production, resulting in more unemployed and underemployed in poverty areas. Rural smallholder farmers and others reliant on off-farm incomes were both affected. Declining wages for migrant workers also affect family incomes in poverty-affected regions.<sup>9</sup>

### Poverty and rural development issues

16. **Rural poor population.** Based on the 2010 poverty line of CNY2,300 per person per year, 7.2 per cent of the rural population was in extreme poverty in 2014, i.e. 70 Million people. The number of people living under the poverty line in rural areas has declined since then. According to official data, China has achieved the elimination of extreme poverty in 2021.<sup>10</sup>Using the international poverty line of USD1.90 per day in purchasing power parity (PPP), the latest national household survey (2018) suggests that extreme poverty incidence had declined to below 0.5 percent for the whole population;<sup>11</sup>around 300 Million, lived below the UMIC poverty line of USD5.50 per day in PPP in 2016.<sup>12</sup>In 2020, the low income population, living on a monthly cash income of less than USD140 per capita, was estimated at 600 Million people.<sup>13</sup>Around one third of those living under the poverty line in rural areas were in Central provinces and one half in Western provinces during the 2010s, half of them residents of designated poor counties, a proportion that remained stable over the period, while half of the low income population lived in the Central provinces. Rural areas in the Western provinces remained affected by overall lower quality of health, education and other public services, compared to Eastern provinces and urban areas, a gap that became even more visible during the Covid-19 pandemic.<sup>14</sup>
17. **Smallholders and land tenure.**<sup>15</sup> The latest agricultural census (2016) recorded 207 Million households engaged in agriculture and 0.4 hectare per holding on average; ninety-eight per cent were smallholders. Agriculture is one of several income generation sources for many of these households. Smallholders increasingly

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<sup>5</sup> World Bank data. <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=CN>

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<sup>6</sup> World Bank data (based on ILO estimate). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=CN>

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<sup>7</sup> IFAD (2021b) and Wang Huang et al. (2021).

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<sup>8</sup> World Bank 2021 data. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CN>

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<sup>9</sup> United Nations China (2021b).

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<sup>10</sup> SSB, annual statistical data. In 2010 constant prices, equivalent to USD2.3 per day in 2011 PPP.

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<sup>11</sup> The 2018 Household Survey on Income, Expenditure and Living Conditions, by China's National Bureau of Statistics, was released in October 2021. <https://blogs.worldbank.org/eastasiapacific/whats-next-poverty-reduction-policies-china>.

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<sup>12</sup> World Bank Poverty and Equity Brief: China: <https://povertydata.worldbank.org/poverty/country/CHN>

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<sup>13</sup> According to the 2020 analysis of household data by Beijing Normal University's China Institute for Income Distribution, quoted by Prime Minister Li Keqiang in China Daily June 2020.

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<sup>14</sup> IFAD (2021b).

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<sup>15</sup> There was not a precise definition of the "smallholder" term in its projects in China. The term "smallholder" seems to have applied to diverse groups such as (i) poor land use right holders, leasing their land to an enterprise or pooling it into a cooperative, (ii) professional farmers, and (iii) rural microentrepreneurs.

gain part of their income from “transferring” part of their rights on land to others, generally larger agricultural operators. There are diversified options, with or without change in land use rights, and with or without presence of a cooperative.<sup>16</sup> Altogether the share of transferred agricultural land, 40 per cent in 2019, is on an increasing trend.<sup>17</sup> Payments for environmental services are another source of secondary income for the very large number of smallholders having returned sloped agricultural land to forestland.

18. **Gender.** Gender inequality has been relatively low in China; the country ranks 39<sup>th</sup> (out of 189 countries) in the Gender Inequality Index.<sup>18</sup> Persistent barriers to gender equality and women’s empowerment are however present throughout rural China. Women tend to be more present in unskilled, labour-demanding agricultural jobs.<sup>19</sup> According to the agricultural census,<sup>20</sup> the share of women among the population engaged in agricultural production was 47.5 per cent in 2016. Ensuring the access of more women to leadership positions, for example in farmer specialized cooperatives, remains challenging.<sup>21</sup> The sex ratio imbalance in China decreased to 105 in the 2020 census, but was still 108 per cent among the rural population; it is especially high in the Central provinces.<sup>22</sup>
19. **Environment and climate change.** China is an ecologically fragile country, exposed to degradation of land, water and biodiversity resources, disasters, and the increasingly tangible impacts of climate change.<sup>23</sup> Efforts to protect and rehabilitate ecosystems took off in the mid-2010s with an overall policy shift to green economic growth.<sup>24</sup> Payments for converting marginal lands to trees or grass cover<sup>25</sup> started in the early 2000s and continue to expand. Public support also promotes improvements in perennials and specialty crops in more marginal areas.<sup>26</sup> More recently, as part of the newly announced target of striving to peak carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060, the Government has confirmed the importance of synergy between climate action, economic development, poverty reduction and environmental protection. Ecological rehabilitation plans are expected to increasingly focus on key vulnerable regions.<sup>27</sup> During the 2021 United Nations Climate Change Conference of the Parties (COP26), China has released an action plan to tackle climate change.

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<sup>16</sup> Rights on land are divided into ownership rights (under the village collective), land use rights and land contracting rights. Farmers may retain their land use rights and rent or lease their land contracting rights to an operator. They may pull their land use rights into the land assets of a farmer cooperative or an agribusiness enterprise, which gives them the right to receive share dividends. A recent option is for smallholders to retain their land use rights and contracting rights, but devolve all farming operations to a land trusteeship.

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<sup>17</sup> MARA statistics from Asia Society (2021).

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<sup>18</sup> UNDP Human Development Reports (2019). Gender Inequality Index data

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<sup>19</sup> IFAD (2019). HARIIP Project Performance Evaluation.

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<sup>20</sup> State Statistical Bureau (2017). Third Agricultural Census Key Results:

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<sup>21</sup> World Bank (2015). Poverty Alleviation and Agriculture-Based Industry Pilot and Demonstration in Poor Areas Project, project appraisal document.

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<sup>22</sup> State Statistical Bureau (2021a): 2020 Statistical Yearbook

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<sup>23</sup> World Bank (2021c)

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<sup>24</sup> Pa, Jiahua (2018). The evolution and transformation of China’s climate change response strategy: From preventing ‘black swan’ events to reducing ‘grey rhino’ risks. In: China’s 40 Years of Reform and Development: 1978–2018. Australian National University Press.

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<sup>25</sup> IEEP 2005. Transforming payments for environmental services in China: moving from state control to equitable market mechanisms.

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<sup>26</sup> The National Climate Change Adaptation Plan to 2035 is under preparation. The previous one dates back to 2013.

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<sup>27</sup> SCIO 2021. White paper: Responding to Climate Change: China’s Policies and Actions.

### Policy framework on poverty reduction

20. **National strategies and programmes.** The country's rural poverty reduction efforts were guided by national policy documents issued jointly by the Central Committee of Communist Party of China and the State Council. The 2011-20 "Outline for Development-Oriented Poverty Reduction for China's Rural Areas" was gradually reinforced in the form of an all-government campaign renamed **Targeted Poverty ("Precise") Alleviation**. This campaign, over the 2013-2020 period, allocated cash and in-kind resources to every household listed as poor in the national database. The "six precise measures" and "five batches" were put forward in 2015 as a basic requirement and the main approach.<sup>28</sup> Precise measures were proposed to each household, and poverty reduction policies were adjusted to specific local features and causes of poverty. Milestones in that campaign included completion of a comprehensive information system on poor villages and households in 2013-15, launch of the crucial poverty alleviation plan in 2016, a three-year "battle against poverty" in 2018-20, and a general poverty elimination survey in 2020.
21. **Rural revitalization.** In 2018, Government issued a comprehensive document entitled "2018-2022 Strategic Planning for Revitalization of Rural Areas" that redefined the national rural development strategy. Since then this strategy has guided a number of policies and reforms covering a broad range of issues that include among others, modern farming and agricultural practices, farmers' rights on land, and environmental degradation. Rural revitalization also tops the agenda of the national 14th Five-Year Plan (FYP, 2021-2025). As of 2022, a long-term mechanism to monitor and support the population at risk of poverty or with low incomes had yet to be established. A transition period of 5 years was instituted, during which previously key poor counties were expected to remain focus areas, and rural revitalization funds would remain under a specific regime as were poverty alleviation funds until 2020.
22. **Institutional reform.** To strengthen capacities and governance, the government launched a large-scale national institutional reform in 2018. Under this reform, the Ministry of Agriculture and Rural Affairs (MARA) became responsible for all agricultural investment projects. These were formerly shared among the Ministry of Agriculture, the National Development and Reform Commission, the Ministry of Finance, the Ministry of Land and Resources (now Ministry of Natural Resources) and the Ministry of Water Resources. The Leading Group Office on Poverty Alleviation (LGOP) remained until end 2020 the key agency responsible for coordinating cross-government initiatives to alleviate poverty, monitoring earmarked budgets and their results. LGOP was present from central level to county level. LGOP had a role in both steering the above agriculture and rural development programmes in designated poor areas, and in piloting and scaling up activities with a specific poverty reduction entry point. In February 2021, LGOP became the National Rural Revitalization Administration (NRRRA) to facilitate the transition from poverty alleviation to rural revitalization.<sup>29</sup>

### Development cooperation

23. Over the 2014-2022 period, China has been addressing domestic challenges in parallel with being increasingly proactive in its approach to international affairs and global engagement. The government indicated that it highly valued a strengthened

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<sup>28</sup> NCR. 2021. Chinese Poverty Alleviation Studies: A Political Economy Perspectives. The "six precise measures" refer to precisely identifying the poor, accurate project arrangements, proper use of funds, household-targeted measures, precise stationing of poverty-relief officials in villages, and measurable effects of poverty relief. The "five batches" refer to lifting people out of poverty by expanding production to increase employment, through relocation, offering ecological compensation opportunities (such as providing jobs involved in protecting the surrounding natural environment), via education, and by providing subsistence allowances.

<sup>29</sup> NRRRA official website, 2023. [http://nrra.gov.cn/art/2023/1/11/art\\_624\\_198332.html](http://nrra.gov.cn/art/2023/1/11/art_624_198332.html)



partnership with international institutions. International financial institutions that were present in the agricultural and rural development sectors in China over the reviewed period include the World Bank (working with LGOP on value chains and pro-poor farmer cooperatives), the Asian Development Bank (ADB), the European Investment Bank, KfW, and the French Development Agency (AFD). Technical assistance in agriculture, rural development and forestry was further provided through bilateral projects and partnerships with the European Union, Germany (through GIZ, the German Agency for International Cooperation) and JICA, Japan's International Cooperation Agency, among others. Among the RBAs, FAO and WFP are currently active in China.<sup>30</sup>

## **IFAD's strategy and operations for the CSPE period**

### **IFAD's evolving strategy**

24. IFAD COSOP periods were aligned with China's five-year plans until 2021; the latest two COSOPs (2011 and 2016) covered the entire 2011-2020 period of the Outline for Development-oriented Poverty Reduction for China's Rural Areas (see table 3 below).
25. **The 2011-2015 COSOP** followed the operational review of the 1999-2010 country programme. Its goal was to enable poor rural people to improve food security, raise incomes and strengthen resilience. The strategy included three objectives: the first focused on production and support services; the second was to support access to financial services while reducing market risks; and the third focussed on South-South cooperation and knowledge management formed. The COSOP targeted rural poor people and their organizations in Western and Central provinces.
26. **IOE 2014 Country Programme Evaluation.** The first country programme evaluation in China took place in 2014, covering the 1999-2014 period. The 2014 CPE concluded that the China-IFAD partnership was at a crossroad and needed to be transformed, with even more attention to non-lending activities. The CPE included six recommendations, which were agreed at completion point in October 2014: (i) targeting in a changed rural context with particular attention given to villages with high poverty rates and young business-minded farmers, while continuing to support ethnic minorities in remote areas; (ii) sharpening focus on scaling up impacts, with adequate resources and through engagement at provincial and national levels; (iii) strengthening knowledge cooperation; (iv) promoting South-South and triangular cooperation; (v) strengthening partnership with the government of China and other in-country stakeholders; and (vi) enhancing IFAD presence and capacity in country, including out-posting the China country programme manager. Follow up to CPE recommendations is included in Annex X.
27. **The 2016-2020 COSOP** reflected a significant change in IFAD's strategy and partnership with China. The COSOP recognized that China has rapidly developed over the past decades and that IFAD would need to respond to China's growing interest in global experiences, knowledge and innovation. The COSOP envisaged a major shift in IFAD's China programme, from project-based to programmatic approach; with emphasis on non-lending; and alternative financial instruments. The 2016 COSOP included two strategic objectives, the first on smallholders' capacity and opportunities to access the market, the second on addressing environmental sustainability and climate change. Scaling up, innovation, and knowledge management became strategic thrusts informing policy engagement and supporting south-south cooperation. The COSOP proposed a programmatic approach that would support national reforms or programmes in specific thematic areas or projects managed at national-level and implemented at the provincial level.

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<sup>30</sup> The FAO-China South-South Cooperation Programme was initiated in 1996. The FAO-China Trust Fund, has been in operation since 2008. The World Food Programme (WFP), under a Memorandum of Understanding (MOU) with the Ministry of Agriculture, resumed nutrition and agriculture projects within China in 2017.

Table 3

**COSOP 2011-2015 and COSOP 2016-2020 (2024)**

|  | <b>COSOP 2011- 2015</b>   | <b>COSOP 2016 – 2020 (2024)</b>   |
|--|---|---|
| <b>Strategic Objectives</b>            | <p>SO1: The rural poor in targeted areas sustainably use enhanced productive natural and economic assets and improved technology and advisory services, in changing environment and market conditions.</p> <p>SO2: The rural poor and their organisations are enabled to take advantage of improved market access and financial services for increased income generation and enhanced resilience to risks.</p> <p>SO3: Enhanced South-South cooperation and knowledge management provide opportunities for sharing knowledge generated from innovations and scaling up good practices in rural development.</p> | <p>SO1: Increase smallholders' capacity and opportunities to access markets.</p> <p>Thematic areas of focus: 1.A - Inclusive and safe value chain development; 1.B - Inclusive cooperatives; 1.C - Inclusive financial services.</p> <p>SO2: Strengthen environmental sustainability and climate resilience. Thematic areas of focus: 2.A - Sustainable land management at household and landscape level, and agrobiodiversity conservation; 2.B - Mainstreamed environmental and climate resilience; 2.C: Renewable energy and labour-saving technologies.</p> |
| <b>Geographic focus and coverage</b>   | Western and Central provinces.  | Nationally designated poor counties in Western and Central provinces.   |
| <b>Collaborations and Co-financing</b> | <p>Government partners, donors, private sector and civil society organizations active in poverty reduction and rural and agricultural development.</p> <p>Policy alignment, institutional alliances and joint investments.</p>  | Formalized partnerships in China and in SSTC with: government institutions, research centres, academia and "think-tanks" both within and outside China, financial institutions, the private sector and development partners.  |

Source: COSOP documents

28. The 2016 COSOP was extended by one year in 2020; it was then reviewed in 2021. The COSOP results review (2021) recommended a further extension taking into consideration (i) the Government's request for an extension in March 2021; (ii) the fact that the results of the CSPE of the China programme that IOE intended to conduct in 2022 would likely not be available until mid-2023. The review recommended an unchanged results framework, other than redefining some of its indicators. The review highlighted the importance of a mix of diversified lending instruments and non-lending activities, and alignment with UNDAF/UNSDCF. **The 2016 COSOP was extended until 2024.**
29. **IFAD's presence in China.** The IFAD Country Office in Beijing was hosted within the WFP premises from 2005 until June 2016, and has moved to an independent location as of July 2016. After the signing of the host country agreement in 2017, the Country Director (CD) was out posted in March 2018. The SSTC and Knowledge Centre in Beijing, covering Asia and the Pacific, was established in 2018 in the context of IFAD's Operational Excellence for Results (OpEx) initiative.  
**Portfolio of loans and grants**
30. **Performance-Based Allocations (PBAS).**<sup>31</sup>PBAS allocations to China slightly increased until IFAD-10; all allocations were fully used: (i) IFAD-7 PBAS: USD 93 million (USD92.3 million in loans approved); (ii) IFAD-8 PBAS: USD 141 million (USD140.7 million in loans approved); (iii) IFAD-9 PBAS: USD 131 million (USD131.1 million in loans approved); (iv) IFAD-10 PBAS: USD 152 million

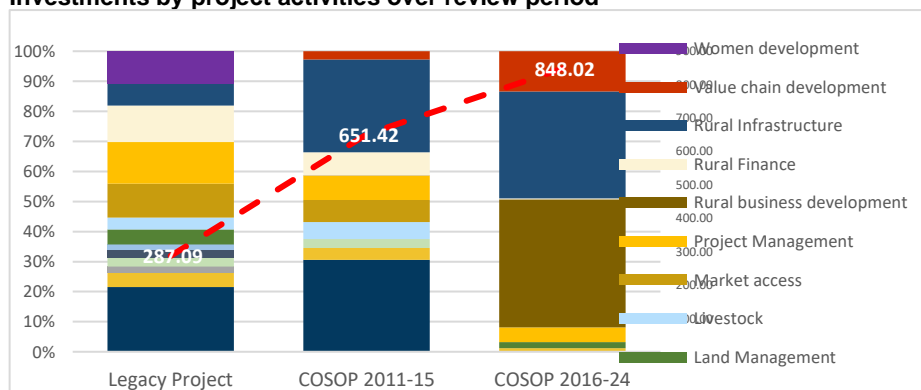
<sup>31</sup> Performance-based allocations are determined by the IFAD over a three-year period and are modified yearly.



(USD152 million in loans approved); and (v) IFAD-11 PBAS: USD 135 million (USD 135 million in loans approved). Between IFAD-7 and IFAD-11, the highest PBAS is USD 152 million under IFAD-10, while the lowest is USD 93 million under IFAD-7 (see figure 2 in Annex VII).

31. **Investments over the evaluation period.** Fourteen projects were active over the 2014-2021 period (see Annex IV). This comprises four projects approved under the 2006 COSOP (“legacy projects”), six projects approved under the 2011 COSOP and four projects under the 2016 COSOPs. The total estimated cost of these projects amounts to USD 1.786 billion, which includes USD 674 million (37.8 per cent) of IFAD financing, USD 1 billion domestic co-financing (61.4 per cent) and USD 14 million international co-financing (0.8 per cent).
32. From legacy projects to 2016 COSOP, the size of IFAD’s investment has significantly increased from USD 287 million to USD 848 million, with investments into the production sectors and access to markets dominating over other areas. Investments into infrastructure increased from 7 per cent to 36 per cent of the total project financing, with an average of 74 per cent government co-financing. Value chain strengthening and rural agribusiness development have become the main focuses since 2011 COSOP. Two sectors, policy institutions and inclusive finance, contributed to 9 and 6 per cent of the portfolio, respectively. The smallest investments were environmental and natural resource conservation, accounting for an average of 2 per cent of the total amount. Lastly, the share of investments into project management reduced from 14 per cent in legacy projects to 5 per cent in 2016 COSOP. In IFAD 11, climate finance was included in two projects, H2RDP and Y2RPD with USD 24.7 million and USD 34.2 million (or 41 per cent and 47 per cent of the total IFAD investment amount, respectively).<sup>32</sup>Figure 1 illustrates the investment size and composition of the three COSOPs.

**Figure 1**  
**Investments by project activities over review period**



Source: Project design reports and OBI.

33. **Implementation approaches.** Project designs were composed of modules or components with diverse interventions such as community infrastructure (for irrigation, drinking water and roads), agricultural production, marketing and technology, and sanitation and energy saving (see table 4). Under the 2011 COSOP, IFAD adopted a “modular approach”, clustering activities into modules that would align with county government planning.<sup>33</sup>The added flexibility was aligned with the GoC’s continuing process of decentralization and the decentralized operational model of IFAD in China (see table 1 in the Annex VII for example). It also allowed project designers to define modules that were candidates for innovation and could

<sup>32</sup> OPR data.

<sup>33</sup> “A module is defined as a small-scale set of inter-related activities aimed at achieving a specific objective that can be implemented independently of other modules and that can be easily replicated in other areas. A module includes all variable costs required for proper implementation of the activity concerned. The modules are adapted to the needs and thresholds of poor rural groups and households.” Project Design Reports.

potentially be replicated if successful. The modular approach was abandoned in 2016 when planning for poverty reduction became much more flexible, allowing to budget actual expenses as explained during the PMO interviews.

**Table 4**  
**Loan project approaches and main areas of intervention**

| Period                      | Approach  | Project                          | Agricultural develop. and market access | Rural finance service | Land improve-ment | Rural infra-structure | Women group develop-ment. | Health, education | Agri-business promotion | Value chain develop-ment. | Climate smart infras-structure |
|-----------------------------|---|----------------------------------|---|-----------------------|-------------------|-----------------------|---------------------------|-------------------|-------------------------|---------------------------|--------------------------------|
| Legacy projects/ 2011 COSOP | Activity-based intervention                     | ECPRP, QL-MAPRP                  | x                                       | x                     | x                 | x                     | x                         | x                 |                         |                           |                                |
|                             | Modular approach                                | MRDP-XUAR, IMARRAP, DAPRP        | x                                       | x                     | x                 | x                     | x                         |                   |                         |                           |                                |
| 2011 COSOP                  | Combination of modular and activity-base        | GIADP, HARIIP, YARIP             | x                                       |                       |                   | x                     |                           |                   |                         |                           |                                |
| 2011 COSOP                  | 4Ps pilot (Public-Private-Producer Partnership) | SSADeP, JiMAAPP                  | x                                       | (x)*                  |                   |                       |                           |                   | x                       |                           |                                |
| 2016 COSOP                  | Specialised Agribusiness Development            | IPRAD-SN, SPRAD-SS, Y2RDP, H2RDP |   | (x)*                  | x**               |                       |                           |                   | x                       | x                         | x                              |

Source: Project design reports. \*Rural finance included in the design, but not implemented in SSADeP, IPRAD-SN, SPRAD-SS and Y2RDP. \*\*IPRAD-SN only.

34. Overall IFAD projects in China have been present in 28 provinces\autonomous regions since 2001. The on-going projects are located in five provinces,<sup>34</sup> which includes those with the highest investments from IFAD over the entire review period: Yunnan (USD 121.4 million), Hunan (USD 107.2 million), Shaanxi (USD 72 million) and Ningxia (USD 43.5 million). Provinces that have received lower funding from IFAD were Shanxi, Xinjiang, and Henan (see figure 2 in Annex VII).
35. **Grants for technical assistance and studies.** There were 16 grants between 2014 and 2022 that listed China as country of interest. Amongst these, three grants specifically addressed activities in China: a country specific grant that supported the non-lending portfolio with various knowledge management and SSTC initiatives; a GEF-funded multi-year project that helped reverse biodiversity loss and land degradation in three western provinces; and a micro-grant that funded the production of a legal guide on contract farming. Out of the remaining 13 grants, six were somehow related to the country programme as they supported civil society organisations and technical institutions to develop rural financial services, pro-poor value chains and farmers cooperatives. The remaining global and regional grants were managed by research and academic organisations and supported workshops and meetings with participants from China (see table 5 below).
36. IFAD also provided in-loan grants for the following country projects: HARIIP, JiMAAPP, QL-MAPRP and IPRAD-SN. The grants – ranging from USD 500,000 to USD 1 million – were generally used to support capacity building, technical assistance, monitoring and evaluation (M&E) and knowledge management components. In JiMAAPP, grant funding was intended to cover a large share of the Business Development Services component.

<sup>34</sup> Sichuan Province, Ningxia Autonomous Region, Shaanxi Province, Hunan Province and Yunnan Province.

**Table 5**  
**Grants financing (2014-2022)**

| Window*                                     | Number of grants | Sum of funds (USD) | IFAD Co-financing (USD) | Total (USD)       | %              |
|---|------------------|--------------------|-------------------------|-------------------|----------------|
| CSPC  | 1                | 300 000            | 300 000                 | 600 000           | 1%             |
| GEF   | 1                | 4 503 992          | 0                       | 4 503 992         | 5%             |
| GLRG  | 13               | 25 959 000         | 54 919 000              | 80 514 000        | 94%            |
| GLRG  | 6                | 16 810 000         | 48 816 000              | 65 626 000        | 77%            |
| GLRG (less relevant to the country program) | 7                | 8 785 000          | 6 103 000               | 14 888 000        | 17%            |
| MICRO-GRNT                                  | 1                | 70 000             | 0                       | 70 000            | 0.08%          |
| <b>Grand Total</b>                          | <b>16</b>        | <b>30 468 992</b>  | <b>85 687 992</b>       | <b>85 687 992</b> | <b>100.00%</b> |
| <b>IN-LOAN GRANTS</b>                       |                  |                    |                         |                   |                |
| IPRAD-SN                                    | 1                | 500 000            |                         | 500 000           | 15%            |
| HARIIP                                      | 1                | 1 000 000          |                         | 1 000 000         | 30%            |
| JiMAAPP                                     | 1                | 800 000            |                         | 800 000           | 24%            |
| QL-MAPRP                                    | 1                | 1 000 000          |                         | 1 000 000         | 30%            |
| <b>Grand Total</b>                          | <b>4</b>         | <b>3 300 000</b>   |                         | <b>3 300 000</b>  | <b>100%</b>    |

\* CSPC: Country Specific; GEF: Global Environment Facility; GLRG: global and regional.

Source: OBI.

### Loan modalities

37. **Lending terms evolution and loan management.** For the review period IFAD loans were financed from core resources and allocated through the PBAS system. In line with China's rising income status, lending terms evolved from highly concessional (ECPRP, MRDP-XUAR, and IMARRAP) and intermediate terms (DAPRP) to modified ordinary terms under 2011 and 2016 COSOPs. An innovative lending instrument, result-based lending (RBL), was piloted in two sub-components of recent 2016 COSOP projects.<sup>35</sup> Given its middle-income status, China is currently eligible for Category 4 Ordinary Lending Terms, subject to a maximum of 18 years repayment period including a three years grace period and a variable interest rate (see table 6 below).
38. Under IFAD 12, a demand-driven allocation system, the **Borrowed Resources Access Mechanism (BRAM)**, was launched as a complementarity of PBAS to enhance the sustainability and maximize IFAD's development impact. As an UMIC, starting from IFAD 12, China has access exclusively to BRAM on Ordinary Terms.<sup>36</sup> The pipeline includes two projects, earmarked for BRAM resources up to USD 168 million. The concept notes are pending for approval.<sup>37</sup>
39. **Government adopted an on-lending modality for all projects, except IPRAD-SN**, in accordance with the Measures of the MOF Decree No. 38.<sup>38</sup> As the

<sup>35</sup> Namely sub-component A.3 - Promoting Gender Sensitive Professional Farmer Training in H2RDP and sub-component A.1 - Promoting pro-poor farmer cooperatives in Y2RDP.

<sup>36</sup> IFAD. EB 2022/S12/R.2. Approach for the Performance-based Allocation System and the Borrowed Resource Access Mechanism in IFAD12

<sup>37</sup> OBI, Planned Projects (INVPR).

<sup>38</sup> According to the General Principles of the No.38 Decree, MOF may on-lend loans for use by provincial governments, relevant departments of the State Council, central enterprises and financial institutions. Provincial DOF may on-lend the transferred loans to lower-level governments or relevant departments and units for use on a cascading basis. [http://www.gov.cn/gongbao/content/2017/content\\_5204896.htm](http://www.gov.cn/gongbao/content/2017/content_5204896.htm)

borrower of on-lend funds, local governments fulfilled the repayment obligations and bore the currency exchange risks. For IPRAD-SN, project financing was channelled to the provinces as a grant and repaid by the central government, considering that without the burden of loan repayment, provinces would be less risk adverse in supporting weaker entities.<sup>39</sup>

**Table 6**  
**Loan modality summary**

| Allocation system | Lending terms                        | Financing Details  | Projects                                  | Replenishment cycle | Loan management modality  | Repayment obligation  |
|-------------------|--------------------------------------|--|---|---------------------|---|---|
| PBAS              | Highly Concessional Terms            | Repayment period of 40 years including a grace period of 10 years; service charge of 0.75% per year; free of interest.           | ECPR-NX; MRDP-XUAR; IMARRAPP              | IFAD 5 - IFAD 7     | <b>On-lending:</b><br><b>Under same terms and conditions with no additional charges,</b> MOF on lends the IFAD loan to the Provincial Government of Finance (DOF), DOF on lends to Prefecture or County Bureau of Finance | In proportion to the amount of loan on lent to each level, province/prefecture/county Governments repay the loan and interests in RMB yuan. (Currency exchange risks are borne by the Lender) |
|                   | Intermediate Terms                   | Repayment period of 25 years including a grace period of 5 years; service charge of 0.75% per year; fixed interest rate of 1.25% | DAPPR                                     | IFAD 7              |   |   |
|                   | Modified Ordinary Terms <sup>a</sup> | Repayment period of 18 years including a grace period of 5 years; variable interest rate ( <i>LIBOR</i> )                        | 2011 and 2016 COSOP projects <sup>b</sup> | IFAD 8 – IFAD 11    |   |   |
| BRAM              | Ordinary Terms                       | Repayment period of 18 years including a grace period of 3 years; variable interest rate ( <i>SOFR/Euribor</i> )                 | IPRAD-SN                                  | IFAD 10             | On-lending not applicable   | Central Government  |
|                   |                                      |  | Two pipelines                             | IFAD 12             | Pending   | Pending   |

<sup>a</sup> The Government requested aligning the usual grace period of the loans on ordinary terms and conditions, namely 3 years, with the implementation period of 5 years to allow the loan repayments to IFAD to start after the completion date. The request was endorsed by IFAD Management and was recommended to the Executive Board for approval.

<sup>b</sup> Instead of USD, the IFAD loan was provided in EUR for QL-MAPRP (2011 COSOP); two subcomponents piloted RBL under H2RDP and Y2RDP (2016 COSOP).

Source: Financing Agreement, Letter to the Borrower, Project Design Completion Reports.

### Cooperating partners

40. **Institutional framework.** The Ministry of Finance (MOF) has been IFAD's formal partner since 2005. It defines the use of foreign funds, regulates the local government budget structure and procedures, and operates transfers from central to local government. Project investments are guided by NDRC development plans at local levels.
41. **Project management arrangements.** As the representative of the borrower, the Ministry of Finance oversees the implementation of all IFAD-funded loans. Provincial Departments of Finance and county-level Bureaux of Finance are responsible for financial management, while programme management offices (PMOs) at the provincial and county levels are in charge of coordination among technical agencies. Province and county leading groups, often led by senior government officials, act as steering committees with representatives from various agencies to facilitate

<sup>39</sup> IFAD. 2018. IPRAD-SN Design Completion Report, p. 35.

coordination and decision-making. Township governments and village implementation groups play a significant role in targeting beneficiaries, preparing plans, and monitoring implementation.

42. **Domestic co-financing.** Domestic co-financing on average exceeded the share of IFAD's loans in project investments. Government counterpart funding stood at an average of 42 per cent for the 14 projects under review. Banks and the private sector were co-financiers in six projects, contributing to 14 per cent of total project financing. Beneficiaries and others contributed on average 5.6 per cent of the project finance (see figure 4 in Annex VII).
43. **International co-financing** was present in two projects: WFP co-financed one of the legacy projects (ECPRP). UN Women committed to co-finance one of the ongoing projects (H2RDP). A GEF grant was planned in one project (QL-MAPRP) but was not realized at the end. An IFAD-KfW loan was planned in two projects (JiMAAPP and QL-MAPRP).

### Main changes over review period (synopsis)

44. The figure below summarises the main changes on government and IFAD sides that influenced the country programme during the review period. These changes will be further explored in the following chapters. The biggest change on the IFAD side was the decentralisation of staff to host countries, which has impacted how IFAD supported projects implementation and conducted non-lending activities.<sup>40</sup>

**Figure 2**  
Overview of main changes during the CSPE period



<sup>40</sup> See IOE evaluation of decentralisation in IFAD (2023).

**Key points**

- The number of rural people living under the poverty line declined after 2010. China has achieved the elimination of extreme rural poverty by end 2020; however, the COVID-19 pandemic caused systematic disruptions in the rural economy.
- Agriculture is one of several income generation sources for poor households. Smallholders increasingly gain part of their income from renting to, or pooling part of their farmland into, a larger entity.
- China launched its Targeted Poverty Alleviation campaign to eradicate extreme rural poverty. The Government later issued the Rural Revitalization Strategy to enhance the focus on rural development. Since then the strategy has guided a number of policies and reforms, including the creation of NRRA.
- As part of the newly announced target on carbon dioxide emissions, the Government confirmed the important link between climate and environmental action, and poverty reduction.
- IFAD enhanced its presence in China; the ICO became the regional SSTC and knowledge centre in 2018.
- From legacy projects to 2016 COSOP, the size of IFAD's investment in China has significantly increased. The 2016 COSOP focused on value chain strengthening, agribusiness development, and rural infrastructure.
- The 2016 COSOP reflected a significant change in IFAD's strategy and partnership with China; it envisaged a major shift in IFAD's China programme, from project-based to programmatic approach; with emphasis on non-lending and alternative financial instruments.

## Performance and rural poverty impact of the country programme and strategy

### Relevance

#### Alignment with national policies and strategies

45. The objectives and building blocks of the 2011 and 2016 COSOPs were overall well aligned with the country's policies and strategies, in a context of rapidly declining extreme rural poverty. The country programme was consistent with both the policy agenda on agricultural transformation and the all-government effort to eliminate absolute rural poverty, as further explained in the following sections.
46. IFAD operations benefitted from the fact that the Government had a well-articulated domestic agenda for rural poverty reduction, in which value chain development was a key component.<sup>41</sup>The *Outline for Development-oriented Poverty Reduction for China's Rural Areas (2011-2020)*, referred to as "Outline" in the following, was the overarching multisectoral framework that guided the two COSOPs. Government staff and researchers interviewed during the CSPE underlined how IFAD's approach since 2016 was aligned with the *2018-2022 Rural Revitalization Strategy*, while serving as a vehicle to operationalise the national policy framework on the development of value chains and rural infrastructure construction. When the *Rural Revitalization Promotion Law* was issued recently in 2021, the on-going projects were fully consistent with it. This law made rural enterprises and farmer cooperatives a building block of sustainable agricultural development.
47. **IFAD's mainstreaming themes added value for the implementation of government's poverty reduction agenda.** The 2016 COSOP called for strengthening women's economic power. This was consistent with the *Programme for the Development of Chinese Women (2011-2020)* that "promoted women's participation in businesses" while going beyond. The focus on women in businesses was with the *Outline for Women's Development in China (2021-2030)* that stated that women had equal rights to starting a business. Focus on **youth** was fully consistent with the rural revitalization strategy and featured in all four on-going projects.<sup>42</sup>The **nutrition** theme led to renewed investment in rural water supply, although attention to nutrition was otherwise reduced in the design of recent projects.
48. **The 2016 COSOP put forward a sharpened focus on enhancing the position of the rural poor in value chains**, responding to the Government's interest. Under the 2016 COSOP, projects were testing new options to support improved governance in farmer cooperatives, and seeking solutions for including individual household listed as poor. This was fully aligned with the Government's "pro-poor market" principle.<sup>43</sup>The cooperatives were a meeting point between (1) IFAD's 4P approach, (2) the agribusiness component of the *Outline* that invited enterprises to work with cooperatives incorporating poor members, and (3) the sectoral agricultural reform spelt out in the 2013 Document N°1. Some project designs focused on cooperatives, while others supported a wider range of value-chain

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<sup>41</sup> Poverty reduction through value chain development is called chanyehua fupin (poverty reduction through industrialization) in Chinese.

<sup>42</sup> In ongoing China projects, youth is usually defined as young farmers between 18 and 45 years old.

<sup>43</sup> New China Research. 2021. China Poverty Alleviation Studies: A Political Economy Perspective. The pro-poor market principle, in this document, calls for joint efforts by the Government, the market and the society to improve the productivity of the poor.



actors, such as cooperatives, microenterprises and professional farmers,<sup>44</sup> in line with the agricultural reform policy under MARA.<sup>45</sup>

49. **Smallholders' rights and benefits were a stated priority** for the deployment of participatory approaches to value chain and farmer cooperative development in the programme. This was broadly consistent with the amended *Professional Farmer Cooperative Law*, announced in 2013 and finally issued in 2018. IFAD signed in 2018 a Memorandum of understanding (MoU) with the Ministry of Finance and the Ministry of Agriculture that stated agreement on the key concepts of the 2016 COSOP: smallholder agriculture, women's empowerment, rural youth entrepreneurship, equitable value chains, and household-based agricultural modernization.
50. Adjusting the strategy of individual projects to the rapid pace of institutional and technical transformation undergoing in the agricultural sector was a recurrent challenge. The national rural poverty eradication strategy had already started to invite enterprises to engage into inclusive value chain arrangements when IFAD introduced its 4P approach, so that the completed projects' added value was initially undefined. Some interventions such as the guarantee funds became obsolete by the time project implementation took off. During the final phase of the rural poverty eradication campaign (2018-2020), on-going projects had to be restructured to ensure better consistency with this campaign.

#### **Relevance of 2016 COSOP document**

51. **The 2016 COSOP properly defined the areas of strategic focus for the China-IFAD partnership.** The 2016 COSOP clearly identified IFAD's role in supporting China<sup>46</sup> and defined the strategic goal objectives accordingly. The strategic goal aligned with Government policies on poverty reduction and rural transformation. The two strategic objectives also reflected IFAD's focus on (i) smallholders' access to markets and (ii) environmental sustainability and climate resilience. The strategic thrusts – innovation, scaling up and KM to inform policy and support SSTC – well reflected expectations on IFAD's evolving partnership with China, as recommended by the 2014 CPE. The COSOP preparation process benefitted from a number of background studies and broad-based consultation with national and external experts and government stakeholders.<sup>47</sup>
52. **The 2016 COSOP was a concise document, which left scope for further interpretation in upcoming project designs.** The 2016 COSOP did not elaborate in greater detail the pathways towards the strategic objectives. For example, the document did not explain how the programme would support agricultural development. The approach to specific agricultural development services also remained unexplained. The document did not elaborate how the investments in village infrastructure would contribute to agricultural development, although these have taken up a lion share in the country portfolio. The concept notes for the new projects (IPRAD-SN, SPRAD), included in the COSOP annex, also do not clarify these aspects.
53. The 2016 COSOP remained vague on how the objective to 'strengthen environmental sustainability and climate resilience' would be achieved. The related

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<sup>44</sup> Professional farmer" was the term originated from the New Professional Farmers Development Program, a training program launched by the Ministry of Agriculture in 2014 with the objective of making farming a more attractive profession and as a basis for local economic development.

<sup>45</sup> The latest project, H2RDP, devoted a component to promote the professional farmers training programme.

<sup>46</sup> IFAD's role: "(i) contributing to China's efforts to eradicate rural poverty by 2020; (ii) ensuring that smallholders in poor and marginalized areas are not left out of – and can benefit from – the process of rural transformation and agricultural modernization; and (iii) strengthening the environmental sustainability and climate resilience of rural activities."(para 4 in 2016 COSOP).

<sup>47</sup> 2016 COSOP, Appendix III.



concept note could have provided further clarity. In the following period, the strategic areas were insufficiently addressed in the design of new projects.<sup>48</sup>IPRAD targeted one strategic area by designing the subcomponent 1.2 for land improvement and climate-smart production. Among the other strategic areas, agrobiodiversity conservation received little or no attention in the design of new projects.<sup>49</sup>The 2016 COSOP results management framework planned for extensive promotion of renewable energies and labour saving technologies but information on the types of interventions to be supported, other than biogas, was lacking.<sup>50</sup>The interventions recommended in the SECAP study for the 2016 COSOP (Appendix IV), carbon trading and participatory adaptation to climate change were omitted in the following project designs.

54. **A stronger focus on results would have enhanced the relevance of the strategic threads proposed in the COSOP.** The 2016 COSOP included the non-lending as strategic threads. It identified as main mechanism to leverage this thread the programmatic approach. The COSOP did not define the expected results. The non-lending programme was treated at the level of activities only. The document includes a detailed list of proposed non-lending activities (Appendix VI). The COSOP results management framework (Appendix I) shows very few related indicators, which are also activity-based. The lack of result-focus made it impossible to assess the effectiveness of these activities. The COSOP results review (2021) reports a list of activities, but was unable to demonstrate that, the strategic thrusts were effective in their contribution to the COSOP objectives.
55. At the end of the regular COSOP period, IFAD has missed the opportunity to revise its strategic focus in line the changing context in IFAD and in China. The COSOP results review (CRR, 2021) would have been an opportunity to critically review progress and learn lessons from implementation. The role of the KM and SSTC centre could have been reviewed and better defined, in view of IFAD's ongoing decentralisation. Limited progress on implementing key innovative concepts in the 2016 COSOP, such as the programmatic approach and results-based lending, could have provided lessons for further implementation. The lack of results-focus in the non-lending activities could have been more thoroughly addressed. The CRR included a RMF with some revised indicators, but the strategic objectives remained unchanged. With these minor revisions, IFAD has approved the extension of the 2016 COSOP until 2024.
56. **The extended 2016 COSOP timespan was no longer aligned with the Government's five-year plan.**<sup>51</sup>The CRR (2021)<sup>52</sup>noted the changes in policy framework, with the government's new focus on rural revitalisation. It also identified the development of a low-carbon economy, an important orientation in the five-year plan, as a new opportunity for IFAD. The review reconfirmed that

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<sup>48</sup> Three thematic areas were outlined under this objective: sustainable land management and agrobiodiversity conservation; mainstreaming environmental and climate resilience considerations; and renewable energy and labour-saving technologies.

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<sup>49</sup> Some of the projects approved under COSOP 2011-2015 foresaw afforestation activities including planting permanent tree crops and economic trees (GIADP, HARIIP, SSADeP). QL-MAPRP (started in 2015) should have had a dedicated module on 'integrated land resources management' but it was dropped due to the lack of GEF funding that was initially secured. It is worth noting that the two legacy projects, MRDP-XUAR and ECPRP, had dedicated components for sustainable land management, with fair budget allocations.

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<sup>50</sup> The COSOP RMF itself, does not list any key indicator nor "Associated Activities" for SO2. Only three milestone indicators are included for SO2 and these are: (i) At least 100,000 hectares under sustainable land and water management (target revised at 40,000 by the CRR) (ii) Number of policy recommendations presented to county or regional administration and endorsed by authorities (no target included). (iii) At least 85,000 HHs and SMEs adopting renewable energy and/or labour-saving technologies.

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<sup>51</sup> The 14<sup>th</sup> Five-Year Plan covers the period from 2021 to 2025.

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<sup>52</sup> While the COVID-19 pandemic did not allow an in-depth COSOP design exercise, IFAD decided to carry out a light 2020 COSOP mid-term review.

IFAD's scope of work in China was in line with the rural revitalization strategy, but provided limited information on how to adjust the on-going portfolio or the upcoming projects to changing elements in the national context. The rationale for continuing with the ongoing COSOP was that the IFAD-12 envelop for China was not yet determined (CRR, para 20). No concept notes for pipeline projects were available at the time of this CSPE (status 18.01.2023)

### **Lessons from 2011 COSOP**

57. The lessons included in the 2016 COSOP were rather broad and did not adequately reflect the richness of experiences in the 2011 COSOP portfolio. The variations in the choice of partners (see below) and project designs suggests an appetite for piloting new approaches on Government's and IFAD's side. The outcomes of these pilot could have been better monitored and documented. For example, the 2016 COSOP does not consolidate the learning from IFAD-supported pilot projects, and how these would inform the future strategy of IFAD in China. SSADeP was the first 4P project implemented by IFAD in China, responding to the government's expectation that IFAD would bring conceptual inputs and experiences in innovative approaches for poverty reduction into the country and in the promotion of pro-poor rural finance systems. The aim was to develop innovative approaches for sustainable rural poverty reduction, which could be scaled up by the government and other donors.
58. **Lessons from the 4P pilots have informed the project designs under the 2016 COSOP.** The PCRVs of the 4P pilot projects provide good reflections on the challenges and lessons learned (see table 7). The difficulties experienced by both 4P pilots (SSADeP, JiMAAPP) were related to the transfer of loan repayment responsibility to agro-enterprises and cooperatives, the identification of financially viable value chains, ensuring an appropriate share of benefits and limited understanding of the 4P approach and capacity to implement it. Both projects suffered from the delays during the start-up and the late adjustment of designs. Furthermore, they lacked a mechanism to integrate the project investments into the local economic development plans, causing delays in the provision of counterpart funds.<sup>53</sup>
59. The Business Plan (BP) development modality supported through the competitive conditional grants was developed by IPRAD-SN and SPRAD-SS, where project resources to co-finance business plans were provided to agribusiness entities in the form of grant, based on a set of competitive and transparent selection criterion. Intensive consultation with project staff and design team/technical specialists was planned from the early start-up period to ensure the concept translated into implementation modalities, and well understood. Being guided by the value chain specialists from the project staff, the selected agribusiness entities were also allocated with financial resources to undertake technical assessment and analysis in order to ensure the viability and solidity of the BP. Lastly, 5 per cent of total project financing were budgeted for capacity building in IPRAD-SN to improve the management, functioning and overall performance of the small producers and their cooperatives, private sector agribusiness and individual farmers.<sup>54</sup>

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<sup>53</sup> SSADeP PCRV, p. 2.; JiMAAPP PCRV, p.12. Indeed, the PMO stated during the CSPE interview that the project could have benefitted more farmers and implemented more smoothly, if it was modified at an earlier stage to timely adapt the trend of local development plans.

<sup>54</sup> IPARD-SN PDR and SPARD-SS PDR.

**Table 7**  
**Lessons from 4Ps pilot projects: SSADeP and JiMAAPP**

|  | SSADeP  | JiMAAPP   |
|--|---|---|
| <b>Commonalities</b>                         | 4Ps piloting; very slow progress of activities and disbursement caused by initial difficulties; low percentage of government financing at appraisal because of a lack of infrastructure component in the project; unsatisfactory efficiency ratings |   |
| <b>Initial difficulties</b>                  | Underestimated the challenge of adopting innovative elements, the change of context of project implementation, lack of adaptation to national procurement regulations.  | A mechanism to integrate the project investments into the local economic development plans was lacking; coordinating an innovative 4P financial mechanism was outside the mandate of local government.  |
| <b>Changes made at MTR (mid-term review)</b> | Increased investments in 4Ps activities and infrastructure; institutional bottlenecks were reduced; more focus on capacity building of cooperatives   | 4Ps dropped, the 4Ps concept failed to attract interest from the government, project investments were integrated into the ongoing national programme.   |
| <b>Different trajectories after MTR</b>      | Strong political commitment, co-financing of resources, and enhanced cooperation among PMOs and with IFAD (the government financing was increased from 17% at design to 20% at completion)  | MTR restructuring did not compensate for the initial delay, and the mobilization of the project's budget was limited. An overall reduced contribution from the government: only 56 per cent of the initially planned government counterpart funds were provided |
| <b>Implications for project performance</b>  | The project gradually stepped into better implementation during its last two years.<br><br>A complete and more efficient uptake of the innovations would have needed more time to generate the results after the MTR adjustments.                   | Management costs account for only 2 per cent of total expenditures, several counties did not receive sufficient allocation from the government to operate well.<br><br>Unsatisfactory project achievement and efficiency.                                       |

Source: PCRVs.

### Relevance of project designs

60. **Under the 2011 COSOP, project designs still included unrealistic assumptions.** Project designs included unrealistic assumptions on implementation capacities in a number of cases. Project designs overestimated the institutional capacity for value chain development and cooperative support,<sup>55</sup> and therefore did not foresee sufficient guidance. The capacities of technical agencies to implement innovative value chain and market access activities, was overestimated in several projects (YARIP, JiMAAPP). Unit costs for the production modules under value chain development and market access were underestimated in YARIP.<sup>56</sup>
61. During the CSPE interviews insufficient involvement of smallholders and other local stakeholders as one of the causes to weaknesses in programme designs under the 2011 COSOP. For example, the design completion reports continued to refer to the "feminization of agriculture" due to the migration of men, a process that only reflected the situation in part of Northwest China.<sup>57</sup> There was no agreement on HARIIP's development objective and logical framework during the project design stage.<sup>58</sup>

<sup>55</sup> GIADP PCR paragraph 48, GIADP PCR

<sup>56</sup> YARIIP PCR para 19

<sup>57</sup> At national level, the proportion of women among rural migrants is close to 45%. Gregory Bob and Xin Meng (2018). Rural-to-urban migration and migrants' labour market performance, 2008–16.

<sup>58</sup> Only very broad objective statements were thereafter retained in IFAD's final project documents. As a result, there was an apparent lack of strategy in the logical framework of HARIIP. Resilience through diversification remained part of the project's underlying strategy and it continued to be mentioned in the Chinese version of the development objective.

62. **Project designs under the 2016 COSOP paid more attention to the processes for implementation.** In the infrastructure component, technical assistance and the resulting guidelines foresaw to improve resilience. In the value chain component, the projects were expected to replicate a scheme of conditional grants to cooperatives (and to enterprises where relevant), already tested by LGOP, which required a clear series of steps starting with competitive applications through submission of business plans. Assumptions formulated under previous projects were inadequately verified during the design process in several completed projects (SSADeP, JiMAAPP, and QL-MAPRP).
63. Inclusive rural finance activities were no longer relevant, due to a rapidly growing rural finance sector and the evolving policy framework on inclusive finance. For example, the conditional credit guarantee funds, although appropriate in their conception, were no longer relevant when policy grants and loans of subsidized interest rate became widely available under the government's poverty alleviation programme.<sup>59</sup> The design of the first two 2016 COSOP projects (IPRAD-SN, SPRAD-SS) still included a number of rural finance innovations, but the mid-term review recommended closure of these activities since they were not implementable.
64. **Project investments in rural infrastructure, mostly funded by the Government, remained relevant throughout the period.** The focus on infrastructure dates back to the first COSOP (1999–2004) when IFAD and WFP had joint strategy investment priorities in China. Covering remote villages with road access, irrigation and drinking water supply remained a government priority. The *Outline* called for completing and upgrading village infrastructure, which was considered a key ingredient in poverty eradication. Rural infrastructure upgrades continued to be part of the rural revitalization strategy after 2020 as there was a continued need for investments in the project areas.

#### Box 1

##### Adjusting infrastructure sub-projects in a changing context

Infrastructure investments often had to be re-planned or dropped due to the rapid progress in rural infrastructure development. In GIADP for instance, the construction of training centres and drinking water distribution systems were among the operations halted (for Yongfu and Tengxian counties). In addition, the construction of biogas systems planned in Yongfu County and a market in Cenxi County were both cancelled (GIADP). Similarly, planned project investments into upgrading the power grid were cancelled since the state grid plan fulfilled the indicated requirements. The water user associations envisioned when HARIIP was developed were first replaced with village infrastructure maintenance groups, then dismantled at project completion since the government had shifted to service providers for the maintenance of rural water supply systems. YARIP's minor modifications were invested in other infrastructure and other activities. SSADeP modifications increased other infrastructural inputs. Unallocated or undisbursed civil works in JiMAAPP were reassigned to the credit guarantee fund and to training.

Source: project documents.

65. With domestic infrastructure projects rolling out quickly, infrastructure planned under IFAD-supported project often became obsolete. Furthermore, infrastructure in IFAD-supported sub-projects was often delayed due to lengthy processes for feasibility study and inspection. This caused projects to adjust their plans and

<sup>59</sup> SSADeP, JiMAAPP, and QL-MAPRP, used a new approach to leverage credit funds from participating banks through local guarantee companies. However, their design did not adequately consider the changing wider sector context and the landscape of rural finance. Preparation did not include sufficient consultation negotiations with potential partners; the CGF was unable to compete with government loan subsidies and other programs. While the approach was realistic in principle, weaknesses in design and preparation made it difficult to implement.

activities in an ad-hoc manner, to avoid duplication and delays in overall implementation progress.<sup>60</sup>

66. **The design of project M&E has faced recurrent challenges, also due to changing IFAD requirements.** The requirements set by IFAD's Results and Impact Management System (RIMS) did not align with national indicators.<sup>61</sup> Changing IFAD requirements for M&E made it difficult to develop consistent indicator frameworks. Logical frameworks lacked key performance indicators at the outcome and impact levels; where appropriate indicators were in place, they were not consistently tracked.<sup>62</sup> There were no indicators to measure progress and results for non-lending activities. Where project designs were adjusted, the changes were at times not reflected in the M&E system (JiMAAPP). This made it difficult to assess final achievements. The ICO introduced some improvements in the M&E system of on-going projects, in particular with regard to gender-sensitive indicators.<sup>63</sup>

### Targeting strategies

67. Central government had well defined targeting strategies for rural poverty reduction, which provided the framework for IFAD's support. The 2016 COSOP specifically defined the 832 nationally-designated poor counties as its target areas. IFAD's targeting approach was consistent with the GoC's policy on precise targeting, which puts an emphasis on the inclusion and participation of vulnerable and disadvantaged groups in poverty reduction and rural development. The 2016 COSOP followed government's focus on registered poor households in these locations.
68. **The 2016 COSOP had greater focus on poor areas than the previous COSOP.** Geographic targeting followed a layered approach. At the national level, the 2016 COSOP targeted more of the less developed Western provinces. At the provincial level, the programme targeted poor counties. The share of nationally designated poor counties went up from 69 per cent in 2011 COSOP projects to 80 per cent in the on-going projects under 2016 COSOP. The provinces decided the mix of poor and non-poor counties (see figure 8 in Annex VII). Guangxi and Ningxia mostly selected counties not designated as poor at national level. Ensuring county capacity to reimburse the IFAD loan was reportedly one of the reasons behind these choices. In Hunan two non-poor counties were included because they were sources of technical support and value chain operators (HARIIP PPE). Lastly, within these targeted counties, townships and administrative villages with high poverty incidence were considered a priority by on-going projects.<sup>64</sup>
69. The 2016 COSOP called for including ethnic minority households. The portfolio, over the 2014-2022 period, did cover 11 of the 14 mountain ranges with remaining concentrated poverty defined by the Central government as strategic planning

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<sup>60</sup> CSPE interview, IPRAD-SN. The infrastructure in GIADP, HARIIP, YARIP have all re-planned or dropped due to the rapid progress in rural infrastructure development.

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<sup>61</sup> In DAPRP, the M&E system was compromised by the inconsistencies for household categorization and lack of alignment among indicators across log frame and RIMS, a fact also evidenced at MTR and by the IFAD Supervision missions.

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<sup>62</sup> For example, the QL-MAPRP logical framework was based on perception indicators and statistical data, whereas the assessment of environment-related outcomes and impact would have deserved more site-specific information on environmental change in the project area (QL-MAPRP PCR).

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<sup>63</sup> The ICO tested the use of women's empowerment in agriculture index (WEAI) indicator but data quality was questionable in the first baseline surveys that computed this index (Y2RDP, as mentioned in the interviews). The CSPE recomputed the index based on the survey report and found an equal value for men and women.

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<sup>64</sup> The selection criteria adopted by IPRAD-SN and SPRAD-SS for the townships and villages also included: (i) suitability for promoting market-oriented production of crops and livestock products with market potentials and agro-environmental potentials; (ii) villages where potential beneficiaries have a strong commitment to small-scale agriculture; and (iii) geographical contiguity to the maximum possible extent to ensure some level of economy of scale.



areas for rural poverty reduction and rural revitalization (see figure 9 in Annex VII).<sup>65</sup>The proportion of ethnic minority areas decreased, from 61 percent in the legacy projects and 50 percent in the completed projects, to 34 percent in the on-going projects, as a result of the selection of provinces and counties.<sup>66</sup>Nonetheless, ethnic minority communities received specific focus when they were present, along with other vulnerable groups.

70. **The target group definition in the 2016 COSOP was broad and allowed project targeting strategies to vary.** The 2016 COSOP defined as target groups “women, rural youth that want to make farming a business, even not below poverty line; and ethnic minorities, regardless of their poverty status”. The targeting strategy (key file 4) applied the official categorisation of poor and non-poor households, based on the national poverty line.<sup>67</sup>The condition for access to project grants was that farmer cooperatives and enterprises engaged in contract farming were to incorporate registered poor households listed.<sup>68</sup>Some projects (IPRAD-SN, SPRAD-SS) in addition required that targeted poor smallholder farmers have an economic potential; registered poor with either labour power or land who have the potential and are interested in participating in production and/or agribusiness activities, and suitable for participating in agribusiness development schemes. Some provinces, in the design of their project, opened project eligibility to cooperatives, individuals and enterprises,<sup>69</sup>a choice consistent with the agricultural reform that supported diversified “new economic entities”. Since 2012, the targeting strategy was blurred, when IFAD started focussing on “vulnerable households” as target groups, following the NRRRA definition.<sup>70</sup>
71. **Smallholders were expected to benefit from value chain interventions.** The RMF included several indicators for tracking smallholder participation as beneficiaries, in line with the COSOP objectives. One project, IPRAD-SN, which then defined an outcome indicator defining the expected participation of smallholders, as cooperative decision-makers. In other projects, all beneficiaries were considered as smallholders, and how they were participating in the project was largely undefined.<sup>71</sup>

### **Institutional arrangements and capacities**

72. The integration of projects into government structures followed common practice in multisector domestic and international-funded projects in China, and ensured high ownership within government. The 2014 CPE had noted the lack of national government partners in project implementation as a bottleneck for scaling up. The 2016 COSOP therefore proposed a **programmatic approach under a central-level agency**. Only one project, IPRAD-SN, implemented this approach, with a national PMO in the Department of Farmland Enhancement of MARA, overseeing implementation in Sichuan and Ningxia. For the other three 2016 COSOP projects (Y2RDP, H2RDP, SPRAD-SS), lead agencies remained at provincial level.

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<sup>65</sup> The only mountain ranges that remained outside the portfolio were the Tibetan areas and a Northeast area.

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<sup>66</sup> For example, all project counties in SPRAD-SS (Shaanxi) are designated poor counties but none of them are ethnic minority autonomous areas.

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<sup>67</sup> Before, that, wealth ranking by the village implementation groups (VIGs), was the common method for targeting households. It was discontinued starting from QL-MAPRP.

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<sup>68</sup> After 2020, as defined by the National Administration for Rural Revitalization, these were households having been registered as poor at least once.

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<sup>69</sup> IPRAD-SN and Y2RDP, in their design, prioritized farmer cooperatives, while SPRAD-SS and H2RDP targeted diversified new economic entities.

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<sup>70</sup> NRRRA’s definition of vulnerable households: households having been registered at least once in the LGOP database.

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<sup>71</sup> The indicator is “smallholders in cooperative boards”. Smallholders are defined in the logical framework as farmers with less than 5% shares in the cooperative.

73. **The selection of lead agencies at provincial level would have deserved better explanation.** The choice of a lead agency was decided at the provincial level (see table 8 below). The majority of closed projects were led by the provincial or prefectural Department of Agriculture (DOA), under the Ministry of Agriculture (MOA). The Development and Reform Commission (DRC) led two projects (DAPRP, SPRAD-SS), while the Poverty Alleviation and Development Office (PAD) was lead agency for another two projects (MRDP-XUAR, QL-MAPRP). While these choices may be well founded within the provincial context, the design documents did not present a rationale for these choices.

**Table 8**  
**Lead Project Agency (LPA)**

| Lead Project Agency                                | Legacy projects | 2011 COSOP                    | 2016 COSOP (on-going) |
|--|-----------------|-------------------------------|-----------------------|
| Department of Agriculture (DOA)                    | ECPRP, IMARRAP  | GIADP, HARIIP, YARIP, SSADeP, | Y2RDP, H2RDP          |
| Department of Agriculture and Rural Affairs (DARA) |                 | JiMAAPP                       |                       |
| Poverty Alleviation and Development Office (PADO)  | MRDP – XUAR     | QL-MAPRP                      |                       |
| Department of Farmland Enhancement of MARA         |                 |                               | IPRAD-SN              |
| Development and Reform Commission (DOC)            | DAPRP           |                               | SPRAD-SS              |

Source: Project Design Completion Reports and Project Completion Reports.

74. The change of lead agency within the same province affected the guidance CPMOs received from PPMOs and the potential of scaling up of the projects within the same province.<sup>72</sup> Changes of lead agencies projects during implementation had a major impact on performance.<sup>73</sup> The change of lead agency within the same province affected the guidance CPMOs received from PPMOs and the potential of scaling up of the projects within the same province.<sup>74</sup>
75. **The ability of the lead agency to coordinate implementing partners was a critical factor for performance.** During the CSPE interviews, the provincial PMOs highlighted the importance of the project leading groups (PLG). The QL-MAPRP benefitted from the strong leadership provided by the provincial PADO since the project start. Moreover, the Project Steering Committee regularly provided strategic guidance and support to the operational management.<sup>75</sup> SPRAD-SS reported that project management has benefitted from the leadership of the provincial development and reform commission (DRC). During the wrap-up session the provinces confirmed the importance of MARA guiding implementation of on-going projects.

<sup>72</sup> In IPRAD-SN, the programme management and implementation responsibilities shifted from the former State Office for Comprehensive Agricultural Development (SOCAD) under the MOF to the Department of Farmland Enhancement of MARA, mainly caused by the national institutional reform. Following the national institutional reform and the establishment of MARA in 2018, two on-going projects (Y2RDP, H2RDP) now were led by the Provincial Department of Agriculture and Rural Affairs (DARA).

<sup>73</sup> For YARIP government decided in 2014 that the DOA took the sole lead in overall project management and coordination; it was previously co-led by the PADO (YARIP PCR, p.4). According to CSPE interviews, YARIP M&E function was seriously compromised due to the withdrawal of PAO as the LPA, since PAO was formerly in charge of M&E function.

<sup>74</sup> According to CSPE interviews, one CPMO in Yunnan have implemented both YARIP and Y2RDP but received a different level of guidance from the PPMOs, because YARIP and Y2RDP were led by different agencies.

<sup>75</sup> QL-MAPRP PCR (para 141)

76. **Decentralised project management arrangements varied in their performance.** Each provincial government made its own institutional choices for project management, which were different from what was reported in project design reports. Some provinces, such as Hunan, managed IFAD projects through permanent PMOs with staff experienced in international projects funded by IFAD and other development partners, while others set up ad hoc provincial PMOs.<sup>76</sup> The latter option, which was more relevant in less developed counties due to the challenges of coordinating multisector projects, enhanced PMO system capacities and was more conducive to ensuring adequate staffing, effective monitoring and evaluation, and resolution of supervision issues. In certain provinces, such as Yunnan, the county Project Management Offices (PMOs) were primarily responsible for carrying out projects, but due to variations in capabilities, leadership, and workload, the results were inconsistent (YARIP, Y2RDP).<sup>77</sup>
77. **Overall relevance.** The IFAD programme under the 2016 COSOP and its targeting strategy aligned with the programmatic priorities of the government until end 2020. The 2016 well reflected the context at this time, but had high ambitions and lacked specificity and results-focus on several aspects. The context has changed significantly over the period. IFAD has missed the opportunity to align its strategy in 2021 although the programme's contents, defined in 2016, remained broadly aligned with the national rural revitalization agenda. The relevance of project designs and institutional arrangements improved significantly under the 2016 COSOP. **Overall relevance is rated satisfactory (5).**

## Coherence

78. The CSPE reviewed the coherence of the China programme in two ways. External coherence describes the consistency of IFAD's country strategy and programme with those of other international partners working in China. Internal coherence means the synergies between the activities and projects supported by IFAD in China. The section includes a specific focus on the non-lending activities, and the extent to which they supported the coherence of the country programme.

### External coherence

79. China became very active in the global development agenda and, similar to other international partners, IFAD has responded to the increased demand through learning and dissemination events as well as SSTC exchanges. The UN agencies in China have formalised their alignment with government priorities through a cooperation framework. The framework has helped to clarify complementarities and value additions.
80. **With its increased country presence, IFAD has become more visible among UN agencies in China.** The Government had expressed renewed interest in partnership with UN agencies, in alignment with the national policy framework. IFAD signed the Development Assistance Framework (2016-2020), which had the purpose "to articulate the high-level priorities of the UN system in China between 2016 and 2020 in support of China's development goals." The UNDAF identified three priority areas: (i) Poverty Reduction and Equitable Development; (ii) Improved and Sustainable Environment; and (iii) Enhanced Global Engagement. The 2016 COSOP relied on this structure in defining its strategic objectives, which

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<sup>76</sup> CSPE interviews.

<sup>77</sup> In Yunnan, it was reported that Project Leading Groups (PLGs) in certain counties did not hold regular meetings as planned, resulting in a lack of timely guidance and coordination for county-level operations by various implementing agencies (YARIP). Additionally, a lack of staffing at the CPMO and a lack of clear instructions from the PPMO or project management leadership at the prefecture/county levels also contributed to stagnation in the implementation of these projects (Y2RDP).



included a dedicated environmental objective, and specific attention to China's global engagement.

81. IFAD has also signed up to the 2021-2025 **UN Sustainable Development Cooperation Framework** (UNSDCF). The stakeholders interviewed during the CSPE saw a strong alignment between IFAD's agenda and China's new rural revitalization strategy. They described IFAD as a potential source of innovation and knowledge, and expressed the need for its continued investment in marginal areas in supporting both China's rural revitalization strategy and its global engagement. Among the United Nations in China IFAD had the largest programmatic expenditure (USD 43.44 million) in 2021.<sup>78</sup> IFAD has UNSDCF's outcome 1 (poverty reduction), outcome 2 (access to public services), outcome 3 (resilient environment), and outcome 6 (south-south cooperation).<sup>79</sup>
82. Stakeholders see IFAD's value added in facilitating investments into smallholder agriculture and building smallholder capacities in marginal areas in China. The CSPE survey<sup>80</sup> also confirmed IFAD's role in sharing knowledge on issues of inclusive poverty reduction and rural development, within and beyond China. Government stakeholders were overall more positive about IFAD's value added. International partners recognised IFAD's alignment with the rural vitalisation strategy more clearly, but were less positive regarding IFAD's role in sharing global experiences in smallholder agriculture and promoting smallholders through national-level policy engagement.<sup>81</sup>
83. IFAD's focus on marginal areas and rural development sets it apart from the major international financial institutions operating in China. The World Bank supports market and fiscal reforms, greener growth including sustainable agriculture, and education and health.<sup>82</sup> The Asian Development Bank (ADB) prioritizes since 2021 environment, urban development and climate change, and health and elderly care.<sup>83</sup> The Asian Infrastructure Investment Bank (AIIB) has an overt emphasis on green infrastructure; it has increased its investments outside China. Opportunities for cooperation with other IFIs were limited. Informal exchanges with the World Bank's portfolio on poverty reduction through farmer cooperatives took place through consultants.
84. **At the same time, IFAD's role in supporting climate change adaptation practices became less visible under the 2016 COSOP.** The overall investment earmarked for CCA and NRM of the 2016 COSOP portfolio was higher in legacy projects (see Figure 1). Interviews and survey results revealed that IFAD was mostly absent from climate change related work during the past period.<sup>84</sup> For the review period, the portfolio hardly contained any good practices on climate change. The pre-2014 GEF grant on integrated environmental management in Northwest China generated good impact in terms of policy influence and environmental benefits, documented in the 2014 CPE, but the post-2014 portfolio's application for a GEF grant in Eastern Qinghai Province linked to QL-MAPRP was unsuccessful.

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<sup>78</sup> United Nations in China 2021 Annual Country Results Report. 2021. UN Resident.

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<sup>79</sup> For details, see United Nations in China 2021 Annual Country Results Report, Beijing: United Nations in China.

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<sup>80</sup> CSPE survey results in Annex IX

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<sup>81</sup> Similar feedback in IFAD's 2021 Client Survey (see figure 11 in Annex VII)

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<sup>82</sup> World Bank Group 2019. Country Partnership Framework for the People's Republic Of China for the Period FY 2020-2025.

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<sup>83</sup> ADB 2021. People's Republic of China: Country Partnership Strategy (2021-2025).

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<sup>84</sup> In the online China CSPE stakeholder survey, "IFAD brings in strong expertise in climate change adaptation" was rated lowest among 7 survey statements related to IFAD's areas of technical strengths.

## Internal coherence

85. The sheer size of the portfolio, the geographical distances between projects and the decentralised set-up of project implementation have made it challenging to create synergies between interventions, projects and institutions. In addition, the programme had very limited grant funding that could have supported such synergies. Since 2015, there has been a declining trend in grant approval in China (and in the APR region as a whole). There were no country specific grants for the review period. Only one project has received grant funding. Nevertheless, the IFAD supported good practices for mutual sharing and learning among project partners.
86. **IFAD's global and regional grants only contributed to one of the 2016 COSOP priorities, smallholder access to markets.** The Global and Regional Grants (GLRG)<sup>85</sup> contributed to the three thematic domains under the first strategic objective of the 2016 COSOP: value chain development; cooperatives; and financial services. The only grant with a substantive contribution to environmental sustainability and climate resilience (second COSOP objective) had closed in 2016.<sup>86</sup> The grants did not support any of the IFAD mainstreaming themes. In particular, grant-funded activities did not give attention to gender transformative issues.<sup>87</sup> Some priority areas outlined for the non-lending programme in the 2016 COSOP, such as inclusive rural finance, did not materialise.
87. **Prior to the 2016 COSOP, grants also supported policy engagement and scaling up.** The country-specific grant "Enhancing Knowledge Management & Cooperation and Policy Dialogue" (approved in 2015) implemented knowledge-related activities (listed in 2016 COSOP) as well as SSTC activities, but it is not clear to what extent these products and initiatives were able to inform the policy agenda.<sup>88</sup> Other grants aimed to produce evidence on good practices for scaling up, but the grant completion reports do not indicate if results were taken up beyond the IFAD portfolio. The programme's most influential grant was under the 2011 COSOP the GEF grant 'An IEM approach to the Conservation of Biodiversity in Dryland Ecosystems' (2009-2016) has successfully introduced institutional and technical innovations for replication.<sup>89</sup> The grant was especially useful in the design and implementation of master plans for three natural reserves, which served as source of inspiration for provincial planning by the government, shifting from top-down to multisector integrated approach.<sup>90</sup>
88. **IFAD supported cooperation and exchange between implementing partners to enhance internal coherence in recent projects.** Given the decentralised set-up of project implementation, internal coherence was a challenge in the loan portfolio. An approach to enhance cross-fertilisation and mutual learning was the design of pairing projects (e.g. HARIIP and YARIP in Hunan and Yunnan) and

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<sup>85</sup> Seven out of 13 GLRG

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<sup>86</sup> The GEF has funded a large-multi-year programme, which surely helped reversing land degradation and biodiversity loss, and also in sustaining institutional changes.

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<sup>87</sup> One of the few references to women in grant reports used the phrase: the elderly, the disabled, women, and children in poverty-stricken areas (Research on the Mechanism to Integrate Poverty Alleviation and Social Protection in China in post-2020 and International Experience, Agricultural Information Institute of CAAS 2019).

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<sup>88</sup> The project completion report stated this difficulty: "it is difficult to assess whether this research can produce direct influence on the policy making or can cause institutional transformation"

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<sup>89</sup> Some of the practices that were piloted and upscaled under SGPRP and ECPRP were up taken by the GEF grant. On the other hand, the participatory and more flexible approach used under the grant management inspired IFAD projects that were ongoing or designed during that time (MRDP-XUAR, JiMAAPP, QL-MAPRP).

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<sup>90</sup> Assisted by Project personnel, the IEM and participatory approaches were replicated in other national programs and development projects including three IFAD projects, one World Bank- and two ADB-funded projects, as well as in the establishment of the Gucheng Wetland National Park in Yuangu County, Shanxi Province (source: An Integrated Ecosystem Management (IEM) approach to the conservation of Biodiversity in Dryland Ecosystems, Project Completion Report, GEF Fiscal Year 2015)

projects covering two provinces (e.g. IPRAD-SN). During the interviews the PMOs acknowledged the benefits of mutual exchange between provinces on projects with similar design features (for example, between Ningxia and Sichuan). However, the format of project documentation made it difficult to identify the specific design features that were of interest for the lessons learning process. In addition, cross-county exchanges and lesson-learning activities were important, although there was little evidence on the outcomes of these activities on cross-fertilisation of ideas, uptake and scaling up of best practices.

### **Non-lending activities: knowledge management, policy engagement, partnership-building**

89. The 2016 COSOP included a detailed agenda for non-lending activities in China, reflecting the country's evolving economic and political profile, also in the global development arena, as well as the evolving China-IFAD partnership. IFAD's increased attention to knowledge management, policy engagement and partnership building was very relevant to COSOP's objectives and strategic thrusts. At the same time, the allocation of human and financial resources did not match these ambitions. When IFAD established the KM and SSTC centre in Beijing and out-posted the country director in 2018, this has raised IFAD's profile in China. The country office has greatly increased its non-lending activities, despite the limited financial or human resources.

### **Knowledge Management**

90. The 2016 COSOP included a detailed agenda on knowledge management (KM), which would have required additional human and financial resources. The 2011 COSOP had given priority to knowledge management in one of its three strategic objectives.<sup>91</sup> The 2014 CPE recognised the efforts made in this priority area for the IFAD-China partnership,<sup>92</sup> but called for more resources (time and funds) to be explicitly earmarked upfront for knowledge management and South-South cooperation activities. The 2016 COSOP included a detailed agenda for non-lending activities (p.55ff.). The majority of activities has not materialised. The 2021 COSOP review noted the tension between the ambitious non-lending agenda outlined in the COSOP and the limited (human and financial) resources allocated for the purpose.<sup>93</sup>
91. The out-posting of the Country Director in 2018 and the establishment of the SSTC and knowledge centre in Beijing have led to renewed efforts in KM. Indeed, many achievements in knowledge production and dissemination can be attributed to ICO's partnerships and engagement with media and social media.<sup>94</sup> Collaborations with other development and research organisations have been maintained and fostered, at a time when also GoC's demand for knowledge is strong. The centre organised workshops and training on KM for all project staff. During the 2016 COSOP, ICO supported the RBA-IPRCC partnership in knowledge sharing and jointly hosted annual workshops on global poverty reduction partnerships since 2018. In conjunction with IPRCC, the World Bank, the Asian Development Bank and the

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<sup>91</sup> "Enhanced South-South cooperation and knowledge management provide opportunities of sharing knowledge generated from innovation and scaling up good practices in rural development".

<sup>92</sup> In 2011, the ICO produced a KM Strategy and Action Plan in order to better incorporate KM and M&E into project design. The document suggests several activities, and a table details a list of products, but a real strategy for structured mechanisms of KM is missing and there is no clear indication of resources. In 2021, a KM Plan has been elaborated for the centre in 2021.

<sup>93</sup> "The COSOP timeframe is not sufficient to properly assess non-lending outcomes, particularly if we consider that progress in this area accelerated after the outposting of the country director in Beijing in 2018...." (COSOP Review2021, p.2.)

<sup>94</sup> In July 2020 the hub launched IFAD's first page on Chinese social media using the platform Weibo, which is one of the largest in China. Through partnership with the IT giant Tencent and Young Professionals for Agricultural Development (YPARD), IFAD joined a UN Youth Campaign in China by hosting an on-line webinar which attracted over 700.000 applications for participation.

RBA, IFAD has launched the annual Global Solicitation on Best Poverty Reduction Practices for three rounds. Good practices from the IFAD-supported projects were shared to promote knowledge sharing and innovative partnerships in poverty alleviation. A key challenge in supporting KM is that the human resources dedicated to KM however remain thin in comparison to the expectations and the targets set. At the time of this CSPE there was a JPO as the only staff dedicated almost full time to KM. There is also a full-time SSTC manager from the SSTC unit in the division of Global Engagement, Partnership and Resource Mobilization (GPR) based in Beijing, but she has no direct responsibility in the China programme.

92. The large number of knowledge products, documenting cases at project level, would have deserved more systematic processing and dissemination. Projects have been active sharing their success stories and lessons, through brochures, picture books and video, during exchange trips and workshops. Yet there was no system for systematising the learning and knowledge emerging from workshops and events, with the aim to bringing knowledge from the field up to the central level. There was only one grant (Enhancing Knowledge Management & Cooperation and Policy Dialogue) explicitly addressing KM as a way to stimulate policy engagement, but this remained an isolated initiative. The grant produced various studies, but it did not lead to a more institutionalised collaboration with government and academic institutions as initially planned. The PMOs met during this CSPE have demonstrated strong commitment and motivation for knowledge products generation; more lessons learnt have been documented and shared with stakeholders, and inter-project cross-learning has started to influence the project implementation.<sup>95</sup>
93. **Knowledge management remained ad-hoc and without a systematic approach to support scaling up and policy engagement.** Supervisions commented on the absence of a KM strategic plan to support innovations and local development plan; recent supervision rated KM as “moderately satisfactory” for ongoing projects (H2RDP, IPRP, SPRAD) (see figure 13 in Annex VII). In an attempt to improve performance on KM, the PMOs have outsourced part of KM to service providers; however, their contributions vary across projects. Y2RDP and H2RDP partnered with the China Academy of Agricultural Science (CAAS) with the objective of increasing analytical quality and policy relevance of knowledge products. With the support of a service provider IPRAD-SN has delivered a large number of activities and products; the majority focussed on external communication.<sup>96</sup>
94. **South-South and triangular cooperation (SSTC) would have benefitted from a clarification of roles and resources within IFAD.** When IFAD established the SSTC and KM centre in China in 2018, it did not have a strategy on SSTC that would have clarified the role and responsibilities of the Beijing office.<sup>97</sup> Furthermore, IFAD did not specify the role of the centre in the context of other collaboration frameworks, specifically the China-IFAD Facility for SSTC, set up at corporate level in 2018. The relationship between the COSOP-related SSTC portfolio and IFAD presence in China, on the one hand, and the Facility as a core instrument for IFAD’s support to SSTC, on the other hand, was not clearly defined at both strategic and operational levels. The role of the regional SSTC manager within the SSTC/KM centre and vis-à-vis IFAD’s partners in China remains unclear.

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<sup>95</sup> According to information provided by the provinces during the CSPE wrap up session.

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<sup>96</sup> According to the list of KM activities provided by the NPMO, more than a number of 180 KM activities were conducted by the project, including 48% news, 38% cases of successes, 8% exchanges and communication, 6% lessons learnt, 2% PM manual and 1% thematic research. 41% KM activities were reported by local media, 33% KM activities were published on the government website, the rest were published on the journals, international media and IFAD website.

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<sup>97</sup> IFAD’s SSTC strategy was approved in 2021. However, it also does not provide further clarify on the role of the centre. Instead it refers to the Decentralisation 2.0. under which IFAD’s new regional offices are expected to assume a coordination and leadership responsibility for the implementation of SSTC activities on the ground, building on the existing knowledge and expertise of the SSTC and knowledge centres.

95. The engagement in and use of SSTC remained fragmented with often unclear results and benefits in terms of partnerships and learning. The 2016 COSOP did not define whether and how to link SSTC with the experiences and lessons learnt from the lending programmes and the non-lending activities. Indeed, SSTC activities did not draw on IFAD experience in China, as they have largely involved non-Chinese partners in implementation, and they have not been used for the purpose of mainstreaming SSTC in IFAD's country programme. As foreseen in the 2016 COSOP a number of exchange visits, study tours, knowledge sharing events and other activities to link partners from China with counterparts in the region took place. The achievements are difficult to pinpoint: neither the COSOP results review (CRR) nor the progress report on South-South and Triangular Cooperation 2021–2022 (2022) report on the contributions of the China SSTC centre.<sup>98</sup>
96. **SSTC in China was not articulated with other corporate SSTC instruments, namely the China-IFAD Facility.** The Rural Solutions Portal (RSP) is the SSTC knowledge platform in IFAD for capturing and scaling up proven innovative solutions for improved rural transformation. The RSP included 110 solutions in 2022.<sup>99</sup> Out of these, 15 solutions took place in China; 12 solutions involved organisations from China. These solutions address a variety of topics, coming from IFAD-funded activities and those of Fund partners. The majority of outgoing solutions were related to capacity building and technology transfer. Incoming solutions were related to innovation, knowledge exchange and processing technology. While some of the IFAD grant partners, namely IPRCC,<sup>100</sup> featured on the platform, none of the solutions involved IFAD-supported projects in China (see table 2 in Annex VII). Furthermore, the ICO did not have a role in vetting the solutions.<sup>101</sup> The majority of the Chinese organizations present on the portal are enterprises with a growing interest in foreign investments.
97. Given the priority of SSTC for the Government of China and the engagement of other UN-organisations in this area, the ICO resources are insufficient to raise IFAD's profile on SSTC in China.<sup>102</sup> Although IFAD's potential role in specific technical areas, such as value chains, is well recognised, the ICO currently has neither the capacity nor the strategic partnerships within China to scale up its engagement in SSTC. Partners with competencies in relevant technical areas and capacities for SSTC are relatively few in China. In the past, the International Poverty Reduction Centre in China (IPRCC) has been an important partner for IFAD in SSTC (see below on partnerships). Furthermore, IFAD has yet to establish its role in areas that will be of even greater importance in the future, such as sustainable ENRM and CCA.
98. **Overall,** IFAD and Government have increased their attention to knowledge management. The projects have allocated budgets and produced many knowledge products and lessons. While lessons were learnt locally and across projects, they were not consolidated at country programme level. The function of the Beijing SSTC/KM centre was unclear. SSTC remained disconnected from the in-country

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<sup>98</sup> Likewise, the client survey rates IFAD China's effectiveness on SSTC lower than other knowledge related work.

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<sup>99</sup> The total number of solutions from RSP website is inconsistent from SSTC progress report, which shows 108 solutions.

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<sup>100</sup> In conjunction with IPRCC, the World Bank, the Asian Development Bank and the Rome-based agencies, launched the third Global Solicitation on Best Poverty Reduction Practices in December 2021 to promote knowledge sharing and innovative partnerships in poverty alleviation. IPRCC also supported the creation of an online SSTC partnership platform by partnering with 30 institutions actively engaged in SSTC in the Asia and the Pacific (APR) Region. (IFAD SSTC progress report, 2022)

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<sup>101</sup> According to CSPE interview partners, the selection of solutions was undertaken by an external consultant.

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<sup>102</sup> In the 2021-2025 UNDCF 15 out of 18 UN organisations have committed to supporting South-South Cooperation, including UNDP, WFP, FAO and IFAD.



project portfolio. **Knowledge management is rated moderately satisfactory (4).**

### **Partnership building**

99. The 2014 CPE noted the limited progress on partnership building. The main partners outside government were the IPRCC (for SSTC) and UNDP. The CPE identified the need to strengthen cooperation with other international organisations, particular the Food and Agriculture Organization (FAO), ADB or the World Bank. The portfolio of partners has gradually expanded since then, but it did not change fundamentally.
100. **Under the 2016 COSOP, IFAD has increased efforts to engage with diverse national partners, within and outside the Government.**<sup>103</sup>Notably, IFAD signed a LoI (Letter of Intent) with MARA (2016). The partnership with MARA was further strengthened through the ministry's engagement in IPRAD-SN. IFAD continued its partnership with the IPRCC, the LGOP's international think tank, after the 2011 COSOP. Under the 2016 COSOP, IPRCC was both a contractor for MOF, supporting the portfolio's management, an IFAD grantee engaged in knowledge management, and a partner for communication events on China's poverty reduction programme.<sup>104</sup>Non-government partners mainly included academic and research institutions, which benefited from IFAD grants.<sup>105</sup>Recently, IFAD signed a LoI (Letter of Intent) with CAAS for technical guidance to M&E and other knowledge-related activities under the ongoing IFAD projects. Partnerships with the private sector going beyond its participation as beneficiary of project loans or conditional grants were not common in the country portfolio.<sup>106</sup>SSADeP was more active involving the private sector in the review of business plans. Recently, the ICO signed a LOI with Youcheng Social Entrepreneur Foundation, which is a civil society organization supporting rural development particularly focusing on women and rural youth, to promote women entrepreneurship in Y2RDP and H2RDP.
101. **Gaps in the strategic engagement with central government, noted in the 2014 CPE, continued to exist.** The 2014 CPE noted that the interaction between IFAD and central government ministries and institutions has not been strong on issues related to the country programme. For example, according to the 2014 CPE, there was no regular engagement with the line agencies that were involved in the implementation of IFAD-supported projects at local level, which to some extent has constrained the programme effectiveness and the promotion of innovation and knowledge management. Under the 2016 COSOP, the engagement with key national players that would have been of strategic importance for IFAD remained informal. For example, IFAD did not establish a working relationship with LGOP (and later NRRRA) at national level, despite their leading role on poverty reduction and (later) rural revitalization. IFAD did not maintain regular engagement with NDRC at national level despite the provincial DRC being lead agency for an on-going project, SPRAD-SS.
102. **Among the international partners, UN Women contributed to IFAD's portfolio in China.** IFAD's partnership with UN Women was initiated in 2018 and formalized through an MoU in 2020. Joint media presence by IFAD and UN Women started in 2021. The partnership with UN Women helped to enhance focus on GEWE

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<sup>103</sup> Feedback from stakeholders was broadly positive on IFAD partnership building (see CSPE survey, Annex IX).

<sup>104</sup> The ICO's direct relationship with IPRCC phased out after 2020.

<sup>105</sup> These included China Agricultural University (College of Humanities and Development Studies) and the China Academy of Agricultural Science (CAAS).

<sup>106</sup> For example, an MoU with Ant Financial (2018) did not lead to concrete activities. SPRAD-SS design report (p.31 para 120) mentioned the opportunity to partner with Alibaba Group through Ant Financial Company to support e-commerce, business plans and value chain financing. According to the stakeholder interview, this did not happen because the size of BPs was too small to meet Ant Financial financing requirements.

in the loan portfolio. UN Women supported GEWE capacity building, supervision and monitoring in QL-MAPRP and H2RDP. Exchanges with the China-based offices of the Rome-based agencies did not relate to IFAD's portfolio. Interactions with development partners other than UN agencies were not formalized.<sup>107</sup>

103. **IFAD initiated a number of international partnerships under the SSTC initiative, outside the China programme.** IFAD was among the eight multilateral development institutions<sup>108</sup> that signed an MoU at the second Belt and Road Forum in March 2019 with MOF to officially establish the Multilateral Cooperation Centre for Development Finance (MCDF). IFAD representatives regularly attended MCDF meetings and other activities through the centre's Coordination Committee. Three main functions of MCDF include: information sharing and coordination, capacity building, providing funds for project facilitation to accelerate infrastructure. IFAD did not participate in or fund any capacity-building facilities or project facilitation funds.<sup>109</sup> Earlier on, in 2013, IFAD signed a letter of intent with the China-Africa Development Fund-IFAD (CADFund), a US\$5 billion equity investment fund launched by the Government of China in 2007 to assist Chinese companies in expanding into Africa.<sup>110</sup> The CADFund is an important partner for IFAD under the SSTC initiative, which include a workshop in Maputo (2014) and a roundtable Rome (2015). IFAD signed an MoU with the Asian Infrastructure Investment Bank (2019), which led to the preparation of a joint programme in Viet Nam.
104. **Overall**, IFAD's partnerships have gradually expanded since the 2014 CPE, within and outside government. From a strategic point of view, IFAD is still missing direct engagement with key national players in areas of key concern, such as NDRC and NARR. The partnership with UN Women has helped to enhance the attention to GEWE in the portfolio. Private sector partnerships were still limited and mainly related to SSTC activities beyond the China loan portfolio. While the number of partnerships has increased, there is no evidence yet that these were effectively used to support innovations or scaling up in support of small-holder agriculture. Partnership building is rated **moderately satisfactory (4)**.

### Policy engagement

105. In China, the scale of policy environment and the complexity of policy processes make it impossible to ascertain an influential role for any international actor. Policy-making takes place at the very macro, centralised level, and entry points are limited for international partners. Furthermore, China's dependence on international financial and technical support has significantly reduced, leaving fewer opportunities for development organisations to leverage their support. During the 2016 COSOP, IFAD has become more active on policy-related issues and as a result more visible within the capital-based development landscape. However, the CSPE did not find concrete examples that would demonstrate how IFAD's multiple activities during the period have contributed to policy development or institutional

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<sup>107</sup> Under the framework of SSTC, IFAD and FAO have collaborated in calls for proposals and projects related to Africa. IFAD has also worked with World Food Programme (WFP) China in co-organizing seminars and other events on policy advocacy and capacity building, contributing to China's global development policies and engagements.

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<sup>108</sup> The eight organisations are the ADB, AIIB, EBRD, EIB, Inter-American Development Bank (IDB), Development Bank of Latin America (CAF), International Fund for Agricultural Development (IFAD) and the World Bank Group.

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<sup>109</sup> The MCDF, according to the 2019 MoU, serves three functions: first, information sharing 'to facilitate [the] flow of information across the Parties and other development partners to avoid duplication and enhance collaboration'; second, capacity building 'to enhance relevant know-how and institutional capacity of developing countries and their development partners', for example, in investment climate, debt management, environmental and social frameworks, and anti-corruption; and third, project preparation 'to finance upstream activities including ... pre-feasibility and feasibility studies, and environmental and social assessment[s]' in line with international practices and each party's relevant rules (Ministry of Finance of the People's Republic of China, 2019, p. 2).  
<https://onlinelibrary.wiley.com/doi/full/10.1002/app5.345>

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<sup>110</sup> <https://www.ifad.org/documents/38714174/40254177/Thematic+Panel+2.pdf/b1429df7-0757-478d-8d65-93a07caf3c34>

change in specific ways. It was not possible to confirm the effectiveness of certain channels, products or events for policy engagements. Instead, IFAD's role and value-addition has been more visible when working with local government partners on the operationalisation of new government policies or strategies (e.g. rural revitalization).

106. IFAD's approach to policy engagement was pragmatic and focused on raising awareness on inclusive rural development issues, as requested by government. This included activities such as workshops and communication products. IFAD has mainly engaged stakeholders such as research institutions and other international organizations these policy-oriented events or platforms. IFAD also developed a stronger media presence in recent years, targeting the general public with the objective of raising public awareness about its activities and their relevance to rural and agricultural development in China. For instance, IFAD China staff members produced a range of papers on English-language media outlets (*China Daily*) on a broad range of issues, such as youth and rural revitalization,<sup>111</sup> food security and inclusive growth linkages,<sup>112</sup> gender equality,<sup>113</sup> disability inclusion,<sup>114</sup> China-Africa agricultural cooperation<sup>115</sup> and SSTC.<sup>116</sup> While these activities have enhanced IFAD's visibility in the Chinese media, it is not possible to ascertain their significance and influence within the country context.
107. **The link between knowledge production and policy engagement could have been stronger.** Whilst IFAD has been responsive to government request, providing knowledge products, there was no evidence that these were actually taken up by government. At the same time, it was unclear if these products presented knowledge from IFAD as an input into policy processes. For example, the IFAD Country Director wrote two policy notes upon Government request providing broad recommendations on policy areas.<sup>117</sup> The notes do not include references to the studies that have informed these recommendations. IFAD also published a desk review on the impact of Covid-19 together with the Centre for International Agricultural Research (CIAR) of the Chinese Academy of Agricultural Sciences (CAAS)<sup>118</sup> in November 2021. The COSOP Results Review (2021) does not indicate if the findings and recommendations of these papers have added value to ongoing policy processes.
108. **Policy engagement did not lead to greater clarity on issues that are at the heart of IFAD's mandate.** The 2016 COSOP focus on smallholders reflected both the changing context and the ambition to support a sustainable role for smallholders in agriculture. Before the design of SSADeP (2013), project design reports hardly used the term "smallholder".<sup>119</sup> However, IFAD did not provide a

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<sup>111</sup> Peter Ekblad, "Youths the conduit for rural revitalization", *China Daily*, 12 August 2022.

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<sup>112</sup> Matteo Marchisio, "Guard food security in inclusive growth", *China Daily*, 11 January 2022.

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<sup>113</sup> Matteo Marchisio et. al, "Gender equality today for a better tomorrow", *China Daily*, 8 March 2022.

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<sup>114</sup> Peter Ekblad, "Disability inclusion key to rural revitalization", *China Daily*, 3 March 2022.

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<sup>115</sup> Matteo Marchisio, "Agri-cooperation benefits China and Africa", *China Daily*, 25 March 2022.

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<sup>116</sup> Peter Ekblad, "Why South-South cooperation is key for rural pandemic recovery", *China Daily*, 12 September 2021.

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<sup>117</sup> Matteo Marchisio. 2020. Poverty alleviation and rural revitalization in post-2020 China: Challenges and recommendations. Challenges and perspectives in the food and agriculture sector in post-2020 China. Published in English language on the IFAD website.

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<sup>118</sup> Results of a Meta-Analysis Study on the Impact of the Covid-19 Pandemic on the Rural Economy of China, 62 pages. The report provides a positive assessment of China's response in terms of "green channels" to secure food supplies, employment support, and social protection measures, also reported in the Chinese media.

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<https://baijiahao.baidu.com/s?id=1726321285843778082&wfr=spider&for=pc> (Accessed 22 Dec. 2022)

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<sup>119</sup> Smallholders became a keyword in the COSOP and the design of subsequent projects (see figure 14 in Annex VII).



precise definition of the term “smallholder” term in its projects in China.<sup>120</sup> Although the national “conversation” on the role of smallholders in agricultural transformation in China has been going on since the 2010s, there is still a lack of consensus, as in indicated in the CSPE FGDs. A study commissioned by IFAD in 2019<sup>121</sup> highlighted the need for greater clarity on the role of smallholders in the modernisation of agriculture.<sup>122</sup> The IFAD China policy note in 2020<sup>123</sup> included a recommendation on “managing the transition from smallholder agriculture, moving away from an inefficient smallholder farming system”, a message that was not consistent with the 2016 COSOP and did not match the views of key IFAD stakeholders in China.<sup>124</sup>

109. **The link between these capital-based activities and provincial project implementation remained unclear.** The 2016 COSOP did not include a strategy that would have clarified the intended linkages. Policy engagement at provincial level, although potentially important, seems to have played a minor role. Exchange between project partners and provincial government has happened, for example in SPRAD-SS (as noted during CSPE interviews), but there are no documented results. At local level, projects appeared to have been actively sharing information on topics such as targeting, and in promoting results-based project management.<sup>125</sup> However, there have been hardly any efforts to synthesise experiences from implementation for policy engagement. The experiences and lessons-learnt from the implementation of the programmes in remote rural areas have not been able to influence national policy-making and to support effective.
110. The main bottleneck for effective policy engagement was the absence of strategic partnerships at national and provincial levels. Previously there have not been strong national or provincial partners to lead, coordinate and consolidate the engagement on policy issues across provincial and county-level partners. The ongoing projects have been more strategic in this respect. In SPRAD-SS the provincial PMO is embedded within the Provincial Development Reform Commission (DRC), an institution with a multisectoral coordination mandate and strong capacity to generate policy-level lessons. The involvement of the national MARA in IPRAD-SN may provide opportunities to consolidate lessons on cooperative development for policy engagement, according to the 2022 supervision. IFAD has also established new partnerships with organizations that have reputation for policy influence, such as CAAS.
111. **Overall, policy engagement** was ad hoc, focussing on Government demand, for most of the period. IFAD has missed opportunities to reach clarity on key issues, such as the role of smallholders in value chain development. The link between implementing partners and capital-based engagement was generally weak. The

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<sup>120</sup> The term “smallholder” seems to have applied to diverse groups such as (i) poor land use right holders, leasing their land to an enterprise or pooling it into a cooperative, (ii) professional farmers, and (iii) rural microentrepreneurs. The IPRAD-SN Logframe, it says: A farmer with less than 5% shares in the cooperative is considered a smallholder

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<sup>121</sup> China Agricultural University. 2019. Prospects of Smallholder Agriculture in the Context of Rural Revitalization Strategy in China.

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<sup>122</sup> The study quotes 2016 data according to which 203.45 million units out of 207.43 million farmer agriculture units were smallholders. The average land size of a smallholder agriculture was around 0.6 hectare.

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<sup>123</sup> Policy note prepared by the IFAD Country Director in 2020 and posted on the IFAD website in February 2022 under the title “Poverty alleviation and rural revitalization in post-2020 China: Challenges and recommendations”

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<sup>124</sup> According to the CSPE FGDs smallholders are a reality in China. But they are often seen as a negative factor for agricultural development. Smallholders are part time farmers, with links to cities. Some elderly chose to continue to be smallholders. Within MARA there are also views that smallholders are important in China’s agricultural sector.

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<sup>125</sup> Amongst the legacy projects, only IMARRAP released some success stories and they were not widely disseminated. All COSOP projects, although to different extents, engaged in the production, dissemination and exchange of knowledge to showcase success stories and share lessons. According to the documents available, the least effective to this regard were YARIP and JIMAPP, that also reported problems with M&E. However, the PMOs reported some local publications and exchanges with other IFAD initiatives,

ongoing projects include some strategic partners with potential for enhanced policy engagement. Overall, policy engagement is rated **moderately satisfactory (4)**.

112. **Overall coherence.** The 2016 COSOP period has seen greater efforts and concrete mechanisms to support synergies, internally and externally. The UN cooperation framework has sharpened the view on IFAD's support of smallholder agriculture and pro-poor value chains in China. Overall, the non-lending activities lacked strategic focus and direction. They took place in an ad-hoc manner, responding to emerging opportunities and requests. This has clearly limited their effectiveness. While attention to KM has increased, the approach has not been systematic enough to feed into policy engagement. While partnerships with national and international actors have gradually expanded, they did not supported innovation and scaling up. Coordination and harmonisation with other development partners has improved, but the outcomes of these engagements remain activity-oriented. Overall coherence is rated **moderately satisfactory (4)**.

## Effectiveness

113. The CSPE reviewed the achievement of the 2016 COSOP objectives through contributions from closed and ongoing projects.<sup>126</sup>For the on-going projects the CSPE identified strong and weak points since the more advanced projects had only reached mid-term. The 2016 COSOP defined the non-lending as a strategic thread, but their contribution to the COSOP objectives was not tracked and reported.<sup>127</sup>

### Achievement of the 2016 COSOP objectives

114. The country programme has made effective contributions to the 2016 COSOP's first strategic objective, to "increase smallholders' capacity and opportunities to access markets". Indicators of the first strategic objective were ambitious but did reflect a clear strategy.<sup>128</sup>The loan portfolio, through completed and on-going projects, supported four agricultural development pathways.<sup>129</sup> These pathways were present from GIADP to the most recent projects. As presented in the following table 9 (see Annex VI for details), achievements varied for each of these development paths. The first two paths evolved markedly in the new projects, while the other two were implemented mostly in continuity with the completed projects. These development paths were a marked shift away from the legacy projects, which supported integrated rural development through rural finance, rural infrastructure development, training, and health and education – and market access starting from 2005.<sup>130</sup>
115. **The country programme was only moderately effective in relation to the COSOP's second strategic objective, "to strengthen environmental sustainability and climate resilience".** The absence of well-defined indicators in the 2016 COSOP

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<sup>126</sup> Evidence mobilized in this section includes: IOE work (PCRVs, PPEs), PCRs, stakeholder workshops in the PCRs, and end line surveys of households (mid-term surveys for IPRAD-SN and SPRAD-SS), 16 interviews with provincial and county PMOs and PMO consultants. The PMOs provided a few photographs of project activities. Lack of direct field observation was a limiting factor, only partly compensated by team members' previous participation in IOE review of specific projects or previous knowledge of project areas.

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<sup>127</sup> COSOP results review (2021)

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<sup>128</sup> The COSOP indicators were (i) 20% increase in volume of small farmers' produce sold through cooperatives/agribusiness enterprises or directly to supermarkets (ii) Volume of small farmers' produce sold through e-commerce (iii) 30% Increase in cooperatives volume of products sold (iv) 20% Increase cooperatives profits of enterprises reporting increase in profit" (v) 25% Increase in average number of small farmers within cooperatives (vi) 25% Increase in small farmers and cooperatives.

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<sup>129</sup> SSADeP and JiMAAPP are the only projects that did not undertake specific activities in relation to natural resource management or climate change adaptation.

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<sup>130</sup> ECRDP was the last project with health and education activities. IMARRAP was the last project supporting microcredit through women groups, an activity that was phased out at project mid-term. DAPRP tested a community-based approach to rural infrastructure through village development funds.

was an added limitation under the second strategic objective in the 2016 COSOP. At COSOP level, the first milestone indicator under SO2, area under sustainable land and water management target, was achieved by only 36 percent at the time of the COSOP results review (2021) and the target was thereafter reduced from 100,000 Ha in the COSOP to 40,000 ha. The second indicator - number of policy recommendations presented to county or regional administration and endorsed by authorities had no defined target (see policy engagement). The definition of the third milestone indicator, on adoption of renewable energy and/or labour-saving technologies, was not available.<sup>131</sup>

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<sup>131</sup> GIADP and QL-MAPRP supported biogas digesters. A couple of designed interventions in land resource management, construction of biogas plants did not take place in QL-MAPRP due to the absence of expected financing by GEF. GIADP promoted application of solar energy. Solar power was otherwise actively developed during the period through government programmes, mostly outside the IFAD portfolio.

**Table 9**  
**Achievements of country programme under 2016 COSOP**

| COSOP objectives   | Pathways   | Overall achievements (achievements against targets in Annex VI)  | Status                                       |
|--|--|--|--|
| SO1 - Increase smallholders' capacity and opportunities to access markets  | Inclusive value chain development                                    | <b>4Ps and inclusive cooperatives:</b> Clear process and improved inclusiveness in new projects; diversity of business models.   | ●  |
|  |  | <b>Inclusive finance:</b> microcredit only in legacy projects, Ant Financial scheme dropped. Agricultural insurance delayed.   | ●  |
|  | Agribusiness development   | <b>Cooperative and microenterprise growth:</b> creations and development of existing entities; BP quality ensured; delayed capacity building and engagement with agribusiness operators. | ●  |
|  |  | <b>Job creation:</b> monitored in on-going projects; net employment gains and wage not monitored.  | ●  |
|  |  | <b>Credit guarantee funds:</b> most activities was dropped   | ●  |
|  | Agricultural productivity enhancement                                | <b>Diversification and higher value crops</b>  | ●  |
|  |  | <b>Agricultural skills development:</b> Broad training and visit programs; shift from public extension to capacity building through value chain operators.                               | ●  |
|  |  | <b>Community infrastructure:</b> Synergy effect between infrastructure and agricultural productivity and value chain development.  | ●  |
|  | SO2 - Strengthen environmental sustainability and climate resilience | Climate-smart agriculture  | <b>Integrated land management: on track.</b> |
| <b>Resilient crops and varieties:</b> support to climate change adaptation plans; research and extension on tuber crops.         |  |  | ●  |
| <b>Climate resilient infrastructure:</b> support to protected agriculture and irrigation; delayed TA for new resiliency options. |  |  | ●  |
| <b>Climate information services:</b> no physical progress  |  |  | ●  |
| <b>Renewable energy:</b> Original biogas targets not reached; solar power overachieved.  |  |  | ●  |

Source: Project documents.

### Inclusive value chain development

116. As regards **inclusive value chain development**, the approach defined in the 2016 COSOP used competitive grants for operators that complied with a detailed set of commitments. This approach was effective, shifting the programme towards value chain development while maintaining IFAD's focus on poverty reduction. Positive outcomes were starting to be visible for SPRAD-SS.<sup>132</sup> Support to land-based cooperatives phased out in the on-going projects.
117. The portfolio had broad outreach to **cooperatives**. Completed projects funded investments by cooperatives, lead farmers and some agro-enterprises through grants (GIADP, YARIP and HARIIP). The two 4P pilot projects (SSADeP, JiMAAPP) introduced the review of cooperative/enterprises business plans by multi stakeholder committees, the inclusion of poor households being one of the criteria. They supported value chain development activities in a total number of 775 cooperatives and enterprises, but were delayed due to the absence of predefined implementation processes; local governments had difficulties understanding IFAD's 4Ps approach. The ongoing projects (IPRAD-SN and SPRAD-SS) further strengthened the inclusiveness of the value chain approach through contractual agreements between beneficiary cooperatives and enterprises. Interviews with PMOs highlighted that cooperatives integrating poor members and contract farming in IFAD projects were partly successful, but also partly failed. Engagement with the agrobusiness sector was reportedly not sufficient and should have come earlier in the projects.

<sup>132</sup> By the end of 2020, the IPRAD-SN project had signed business plan implementation agreements with 13 cooperatives, by the end of 2021, another 42 cooperatives had signed business plan implementation agreements.

118. Prior to the 2016 COSOP the programme supported land-based cooperatives, where poor households transferred their land use rights to the cooperative as shares.<sup>133</sup>The project completion missions observed that benefits mostly consisted in some waged employment, while cooperative members were largely passive. Starting from QL-MAPRP, there was a **range of contracting arrangements** between beneficiary operators and smallholders or poor households.<sup>134</sup>For example, one mountain vegetable cooperative in Sichuan had 60 members at IPRAD-SN mid-term, of which 58 were smallholders; it trained 1500 small farmers and purchased from 2400. SPRAD-SS attracted cooperatives and agribusinesses in equal numbers. Contractual arrangements included contract farming; waged employment targeting poor households; transfer of land use rights as cooperative or enterprise shares; leasing land to a cooperative or enterprise; and accounting the IFAD grant as poor households' share in the cooperatives.
119. Efforts to support **inclusive rural finance** were by and large unsuccessful. Microcredit in legacy projects (for women groups) was discontinued starting from DAPRP. By design, the cooperatives, through land consolidation, became able to access credit, but this did not influence the access of individual farmers to rural finance. Whether the cooperatives provided credit to their members was undocumented, except in one case, a rural finance cooperative.<sup>135</sup>In the recent SPRAD-SS project, ANT Financial cancelled its participation due to insufficient scale of operations. Guarantee facilities (GF), launched in two completed projects (SSADeP, JiMAAPP) were off-track and they were dropped as a project activity in QL-MAPRP. Partnerships with local guarantee companies to leverage credit funds from participating banks were not effective due to abundant programmes of interest-free or subsidized credits and grants available.<sup>136</sup>

### **Agribusiness development**

120. Conditional credit guarantee funds, a core element in the design of completed projects, were not effective for **agribusiness development**. Instead strengthening cooperatives as businesses yielded positive results. Support services to microenterprise setup was included in the two most recent projects.<sup>137</sup>
121. In a second stage, the programme started using **competitive conditional grants** to encourage entrepreneurship (see Box 2 below). Business development services were supported by IPRAD-SN and SPRAD-SS.<sup>138</sup>By mid-term, IPRAD-SN and SPRAD-SS had already approved and financed 212 business development plans, with slow but steady progress, although IPRAD-SN in Sichuan had focused on infrastructure building during the first half of the project. In contrast with ambitious plans, cooperatives' institutional capacity building made limited progress. Even though the competitive grant applications had reportedly a capacity building effect, for example through their requirement of a professional accountant,<sup>139</sup>none of the

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<sup>133</sup> SSADeP had a strong focus on land-based cooperatives, while HARIIP and JiMAAPP also promoted contract farming targeting mountain villages.

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<sup>134</sup> The shares of the 27 cooperatives supported by IPRAD in Sichuan Province were composed at project mid-term of land contributions in 8 cooperatives, cash contributions in 1 cooperative, and both land and cash in 12 cooperatives; labour and technology were accounted for as shares in an additional 3 cooperatives. One was a land trust cooperative. Transferred land in land-based modalities was farmed by the cooperative or by professional farmers.

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<sup>135</sup> In IPRAD-SN, by mid-term, 9 of 16 cooperatives loans from a rural credit cooperative or a commercial bank. The financial services cooperative was a beneficiary of IPRAD-SN in Sichuan (mid-term impact survey).

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<sup>136</sup> During the long duration of project design and implementation, some of the original guarantee companies went into transformation and no longer were able to implement the project activities (SSADeP).

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<sup>137</sup> Y2RDP and H2RDP.

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<sup>138</sup> The latest two projects, Y2RDP and H2RDP, are developing business incubation centres.

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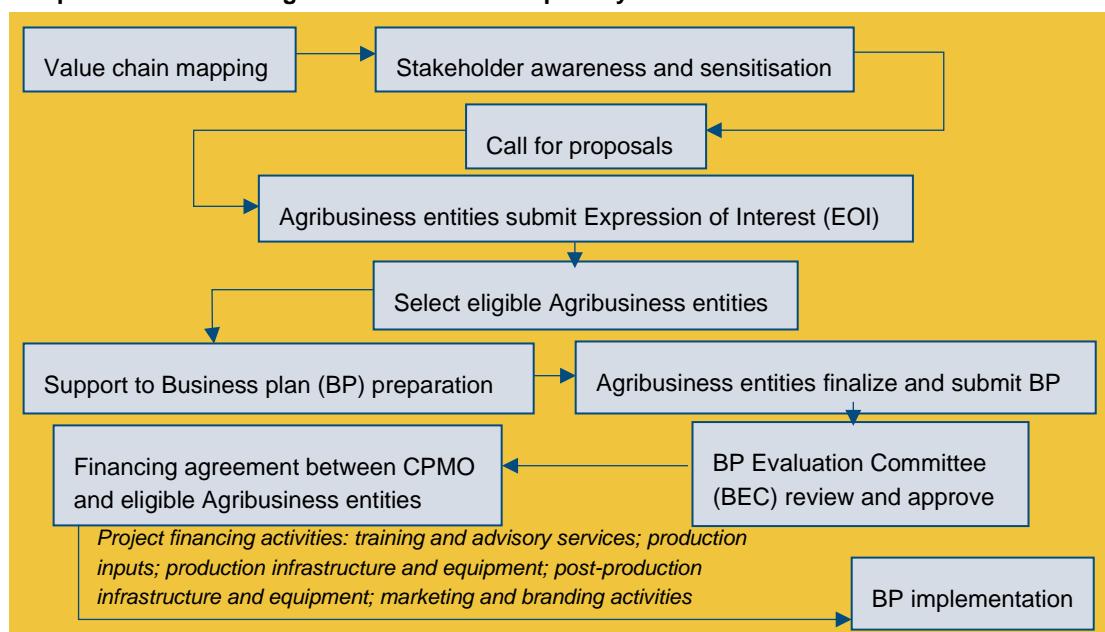
<sup>139</sup> IPRAD-SN mid-term impact survey.

interviewed PMOs referred to the cooperative facilitators who were foreseen at project design.

122. Smallholders gained improved **market access** under both project implementation options, credit guarantee funds or competitive grants, as documented in impact surveys. Projects contributed to improved market access<sup>140</sup>through the combined result of strengthened linkages between value chain operators, projects' investments into production and post-production equipment, and investments into marketing.<sup>141</sup>The cooperatives increasingly accessed the market through e-commerce – although only the first of the completed projects, GIADP, was documented as having actively supported it. Project support to direct sales to supermarkets was less successful, according to interviews, due to the small scale of local operations.
123. The programme only started recently to keep track of the number of **jobs created by participating cooperatives and enterprises** that invested locally into plantations, storage, grading and processing. The impact surveys started to monitor this creation of jobs in the on-going projects. The IPRAD-SN mid-term survey reported mostly seasonal jobs targeting the poor. There was anecdotal evidence from Project Completion Reports (PCRs) and IOE that jobs were mostly low waged, targeting women, the elderly, or people with disabilities.<sup>142</sup>To what extent these jobs were transfers from smallholder self-employment, and what was the net job creation effect, was not analysed.

#### Box 2

##### Competitive conditional grants mechanism adopted by IPRAD-SN and SPRAD-SS



Source: CSPE elaboration, based on Project Design Report and Implementation Manual; validated during Wrap up Meeting

<sup>140</sup> For example, in the JiMAAPP final impact survey, 77 percent of farmers selling through a cooperative achieved an increase in sales, and 64 percent of those engaged in contract farming achieved an increase in orders. In the QL-MAPRP final impact survey (2020), 59 percent of respondents stated their products were easier to sell. At SPRAD-SS mid-term (2021), 56 percent of beneficiaries previously registered as poor had increased their sales.

<sup>141</sup> In GIADP, 100 per cent of cooperatives and project value chain enhancement facilities operational; and 96 per cent of members reporting increased marketing at MTR.

<sup>142</sup> Few job opportunities are available in rural areas for women, elderly and disabilities. IPRAD-SN increased the access to job opportunities for these vulnerable smallholders, aiming to increase their income and livelihoods.



## Agricultural productivity enhancement

124. The country programme had a strong focus on increasing **farm productivity**, since the earlier legacy projects. The provided farmers were provided with new or improved agricultural inputs, and/or improved irrigation or protected agriculture facilities. The programme also facilitated value chain linkages. Some projects also funded investments into the production of inputs. Together with technical training sessions and within the framework of a well-functioning agricultural technology system, these efforts consistently led to fair production levels.<sup>143</sup>
125. Under the agricultural productivity pathway, the entire portfolio supported **diversification and higher value crops and animal husbandry**. The completed projects reported on a large range of crop and animal products. For example, GIADP achieved 5,362 ha and 4,045 ha demonstration and scaling up for annual and perennial crops, respectively. 5,097 households participated in the landrace livestock demonstration, achieving more than 15 times the target at appraisal.<sup>144</sup>HARIIP achieved 5,627 ha cash crops, 484 ha root and tuber crops, 488 economic trees and 237 acres of the orchard - poultry integrated agriculture.<sup>145</sup>8 annual crop modules, 17 perennial crop modules, 15 livestock modules, and 13 herbal medicine modules were achieved by YARIP.<sup>146</sup>The programme increased opportunities for smallholders to produce higher value crops, with productivity and quality levels that allowed to access the market, but uneven attention to resilience. GIADP fully focused on tropical fruit and vegetables. Subsequent projects supported both major commodities (such as tea, chicken or cattle) as well as diversified speciality crops.
126. The programme ensured technical support by **transferring training and extension to agribusiness entities**. Legacy projects had consistently delivered capacity building opportunities to broad numbers of smallholders, supporting the capacity of local agricultural extension stations. In the completed projects, agricultural training was increasingly organized through the beneficiary cooperatives. In the on-going projects, training was organized by agribusiness entities supported by PMO, such as farmer cooperatives and firms. With a requirement for the grant beneficiary entities to dedicate part of their grant to soft activities,<sup>147</sup>the projects hired professional training providers and organized diversified activities.<sup>148</sup>Participating households continued to express satisfaction with training in the impact surveys, as they did in the completed projects.<sup>149</sup> This allowed them and the cooperatives to get involved in diversified quality schemes, from GAP to organic agriculture.<sup>150</sup>
127. Continued investments into **community infrastructure** were an important contributor to each of these pathways, and to farmers' resilience. GIADP demonstrated how project outcomes for poor households were higher in the villages

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<sup>143</sup> For example, IPRAD-SN, by mid-term, had allowed beneficiary cooperatives to access 34 new varieties or technologies.

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<sup>144</sup> GIADP PCR.V.

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<sup>145</sup> HARIIP PCR.V.

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<sup>146</sup> YARIP PCR.V.

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<sup>147</sup> IPRAD-SN and SPRAD-SS requested beneficiary entities to invest at least 15 percent of the IFAD-funded grant into soft activities such as technical assistance, services, studies, trainings, participation to exposure visits/fairs, costs related to certification, traceability, branding/marketing.

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<sup>148</sup> PMO interviews.

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<sup>149</sup> This was specifically documented in the HARIIP and QL-MAPRP end line household surveys. Conversely in the JiMAAPP survey, adoption of the recommended technologies was low.

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<sup>150</sup> In IPRAD-SN-SN, 8 cooperatives out of 43 had green or organic certification by project mid-term.

having benefitted both from agriculture and marketing capacity development and new village roads.<sup>151</sup>The portfolio improved the resilience of rural households by investing in roads and safe drinking water, which enabled diversification and growth of farm and non-farm livelihoods. Similar evidence was assembled in the impact surveys of subsequent completed projects and on-going projects.<sup>152</sup>The portfolio, from GIADP to IPRAD-SN mid-term, built close to 2000 kilometres of rural roads.<sup>153</sup>Infrastructure targets were consistently completed or exceeded, with very few exceptions.<sup>154</sup>However, more could have been done to build community capacities for infrastructure. Revision of targets during implementation may have left the infrastructure needs of remote project villages unaddressed.<sup>155</sup>

### Climate-smart agriculture

128. **Climate-smart agriculture** was promoted through very few interventions and did not become a main building block in the portfolio. The IFAD-supported projects were also part of domestic programs of integrated land management and resilient crops, varieties and local animal breeds. IFAD was able to add value through outreach to remote rural communities and poorer households had access to these improvements. The HARIIP PPE confirmed that local agricultural bureaus were implementing the provincial climate adaptation plan, for example through replacing annual crops with tea or introducing cold resistant fruit varieties, and the environmental management plan through erosion control on slopes or raising chicken under perennial crops. When cooperatives benefitted from project investments into sustainable land management, it benefitted the shareholders, which as per project requirements also included poor households. Similarly, the on-going IPRAD-SN project extended the integrated irrigation and drainage programmes that were so far directed to China's productive agricultural regions, to more remote locations, with promising results.<sup>156</sup>

### Outreach and targeting

129. The portfolio has achieved broad outreach to the targeted beneficiaries. The portfolio of completed and on-going projects (from GIADP to SPRAD-SS) was implemented in 71 counties.<sup>157</sup>Cumulative coverage in these projects added to close to 650 townships and more than 4600 administrative villages.<sup>158</sup> Eighty percent of townships identified at project design stage were actually covered. The six completed projects reported in total close to 2.1 million direct beneficiaries, a figure comparable to the 1.8 million direct beneficiaries of the four legacy projects. The overall number of actual beneficiaries was below the target (80 percent), with some variations. Some projects had low outreach (QL-MAPRP, YARIP, GIADP), others had good outreach (IMARRAP, SSADeP, JiMAAPP) (see Annex VI). The on-going projects

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<sup>151</sup> GIADP counterfactual impact evaluation.

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<sup>152</sup> SPRAD-SS mid-term survey. In HARRIP 93 percent of households said that the conditions of getting information and marketing had improved remarkably due to the improvement of road conditions. In the SPRAD-SS mid-term survey, enhanced road connection and post-harvest facilities allowed participating families to realise higher profits on their farm products and farm produce sales.

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<sup>153</sup> Source: PCRs and IPRAD-SN MTR.

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<sup>154</sup> The portfolio completed more than 1000 kilometres of irrigation canals, but targets were not completed in subtropical regions. Reasons for this were not fully explained (HARIIP PPE).

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<sup>155</sup> The GIADP impact assessment found that only 10 percent of project villages had combined investments in agricultural production and rural infrastructure.

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<sup>156</sup> In IPRAD-SN, the proportion of participating farmers who had adopted water-saving irrigation, soil formula fertilization, straw return, and green pest control reached 62 at mid-term.

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<sup>157</sup> Six out of nine H2RDP project counties were repeater counties, having already participated in HARPP. There were only two repeater counties in the rest of the portfolio, one in Ningxia, one in Yunnan.

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<sup>158</sup> From PCRs in completed projects, MTRs in first two on-going projects.

were also below target, reaching 36 percent of their beneficiaries by mid-term (see table 10).

Table 10

### Country programme outreach

| Project               | Target at design stage |                |                            |                | Outreach             |                |                            |                | Outreach vs. target % |
|-----------------------|------------------------|----------------|----------------------------|----------------|----------------------|----------------|----------------------------|----------------|-----------------------|
|                       | Direct beneficiaries   | Share of women | Share of ethnic minorities | Share of youth | Direct beneficiaries | Share of women | Share of ethnic minorities | Share of youth |                       |
| Legacy projects       | 1 663 855              | N/A            | N/A                        | N/A            | 1 895 850            | 59%            | N/A                        | N/A            | 114%                  |
| 2011 COSOP            | 2 552 684              | N/A            | N/A                        | N/A            | 2 062 516            | 49%            | 41%                        | N/A            | 81%                   |
| 2016 COSOP (on-going) | 538 408                | 46%            | 15%                        | 29%            | 191 613              | 47%            | 16%                        | 39%            | 36%                   |

Sources: PCRVs and PPEs (MTRs for on-going projects)

129. **The overall number of poor households reached cannot be ascertained because different poverty standards were applied.** Data obtained from participatory wealth ranking in the older project are not suitable for comparative analysis.<sup>159</sup> For example, YARIP recorded 12 percent of poor direct beneficiaries while SSADeP claimed a proportion of 81 percent.<sup>160</sup> The ongoing projects started using the LGOP's database of registered poor households for targeting. IPRAD-SN reported that outreach to beneficiaries included 17 per cent registered poor households at mid-term review (MTR). In SPRAD-SS beneficiaries included 53 per cent registered poor households (2022 supervision). In 2021 the categorisation of target groups changed again, when the NRRRA definition of "vulnerable households" was introduced. This was applied by the recent two projects, Y2RDP and H2RDP; outreach to these vulnerable households was not yet reported.
130. **The on-going projects also successfully reached young farmers and smallholders.** The IPRAD-SN project specifically targeted smallholders through cooperatives. The project recorded 41 per cent of smallholders on the boards of beneficiary cooperatives by mid-term, surpassing the target of 20 per cent. The project also recorded 60 per cent of beneficiaries as young farmers by mid-term, well above the 30 per cent target. The SPRAD-SS project recorded 20 per cent of beneficiaries as young by mid-term, exceeding the low target of 3 per cent due to the project's remote and mountainous areas with an aging population.

### Innovation

131. **Innovation has been high on the agenda in the two COSOPs for the review period.** The 2011 COSOP foresaw innovation as a source of inspiration for SSTC; the 2016 COSOP defined innovation as one of IFAD's strategic thrusts. IFAD projects developed new elements mainly in three fields: agricultural production, rural development approaches, and tools for the management of an international project. New elements in agricultural production ranged from modest technical improvements (e.g. using persimmon peels instead of animal manure to produce biogas in GIADP) to the launch of provincial programmes (e.g., improved potato seed production in Hunan under HARIIP). New elements in rural development approaches ranged from support to value chains through farmer cooperatives,

<sup>159</sup> The M&E system recorded registered poor households in some cases, households ranked in A, B and C categories by the VIGs (the A category being the better off, non-eligible) in others.

<sup>160</sup> HARIIP documented elite capture for grants to cooperative managers and lead farmers.

which was new at the time the first completed projects were designed, to encouraging rural youth to become professional farmers in the on-going projects. New elements in project management related to planning, M&E and disbursement.

132. **New solutions introduced in the earlier projects were not always “innovative”.** In the legacy projects, innovations included participatory planning approaches, which have been new the provincial and county departments. Village Environmental Development Plans (VEDP) also served as accelerator to mainstreaming ecological considerations into provincial and national funded programs through farmers’ direct choices.<sup>161</sup>The gender empowerment approach was also frequently described as “innovative” (DARAs, Qinghai LGOP). In addition there were a number of technical solutions introduced in projects.<sup>162</sup>Some elements perceived as “new” were previously used in other provinces. For example, pro-poor approaches in value chains and farmer cooperatives had already been piloted by LGOP in other provinces<sup>163</sup>by the time when the IFAD portfolio first put them at the centre of its China projects. Similarly, the microcredit schemes for women farmers were not new at that time.
133. **Inclusive rural finance was an area where IFAD tried to introduce a number of innovations, with limited uptake.** In IPRAD-SN and SPRAD-SS, innovative ideas to promote new rural financial products were not realised, indicating that more time was needed for research and partnership building with local implementation partners. Agricultural and life insurance was to target farmers to enhance coverage and resilience against weather-related events, accidents and illness shocks.<sup>164</sup>SPRAD-SS proposed a partnership with the Ant Financial Company under the Alibaba Group to implement these innovative components, but this did not materialize. Problems encountered in implementation included an inadequate preliminary assessment of the rural finance landscape, an overly ambitious design and inadequate or missing TA support.<sup>165</sup>
134. The review of IOE ratings for closed projects shows that innovation was among the lowest rated. Average ratings were below IFAD average. Factors that limited project performance on innovation included the lack of technical assistance, insufficient human and financial resources in PMOs, and ambitious time frames. In QL-MAPRP, a grant component was devoted to innovative natural resource management but GEF funding not arrive in the end; planned activities were not redirected to the loan project. Several PCRs reported **difficulties to absorb too many new elements simultaneously and within a short time.**
135. The on-going projects were in the process of introducing and testing new solutions at the time of this CSPE. IPRAD-SN introduced a new approach for “comprehensive agricultural development” offices, which so far specialized in infrastructure building,

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<sup>161</sup>VDEPs were introduced at the Township and Village levels in 3 provinces The VDEP played an accelerator role in ensuring mainstreaming of ecological considerations in national/provincial funded programs such as the Whole Village Development Programme on Poverty Alleviation, New Countryside Development Programme and Ecological Construction Program which have adopted these principles and best practices to improve the livelihoods of rural poor. (source: An Integrated Ecosystem Management (IEM) approach to the conservation of Biodiversity in Dryland Ecosystems, Project Completion Report, GEF Fiscal Year 2015)

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<sup>162</sup> The technical envoy system in agricultural extension (i.e., technical assistance provided directly to the villages) was an innovative approach disseminated throughout the province in DAPRP (Henan). Technical innovations included drip irrigation technology and a new M&E software developed by a county PMO (IMARRAP). The regional The FoodSTART grant supported research in root and tuber production, including innovation in value chain. The results were picked up by one of the two the IFAD projects (HARIIP) that were meant to benefit from the grant.

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<sup>163</sup> Design consultant interview.

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<sup>164</sup> The regional grant ‘Managing risks for rural development: promoting micro-insurance innovations’, sought to pilot and upscale innovative micro insurance products for tea producers. It failed to implement activities in China due to a lack of stakeholders’ interest, and because it was impossible to access weather-related data.

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<sup>165</sup> Limited progress on insurance recorded in SPRAD-SS, where pilot crop and livestock insurance were introduced in 2 counties recommended by MTR.

agricultural commodity development, and ecological construction for intensive agricultural regions. In the technical field, “climate-resilient infrastructure” for mountainous and semi-arid environments was an innovative concept at the time of the 2016 COSOP, and was incorporated in the design of all four on-going projects. Conditional grants to value chain operators were introduced in IPRAD-SN and SPRAD-SS, and results-based lending was introduced as a new instrument in Y2RDP and H2RDP, piloted in one component in each project. LGOP was already piloting these options in other provinces so that the IFAD portfolio supported replication rather than innovation.<sup>166</sup>It was too early during the CSPE to observe progress since implementation of these various innovative elements was delayed.<sup>167</sup>

136. During the wrap-up meeting, it became obvious that the provincial PMOs were satisfied with what they see as new solutions in their projects: elements that were indeed new in the provincial context and tested for the first time. Only in one project did they describe as new some elements that were already confirmed locally.<sup>168</sup>For example, the national prize for SPRAD-SS in the poverty reduction forum (supported by IFAD, ADB and the World Bank) was seen as a confirmation of its innovative approach. Other new approaches include pro-poor contract farming, with local approval of business plans, tested in SPRAD-SS. SPRAD-SS was also the first project globally to test a report-based payment system for IFAD reimbursement.
137. **Overall innovation.** Before 2016, the portfolio’s performance on innovation remained below the ambitions of the 2011 COSOP. Since then, IFAD continued to introduce new elements into project designs; not all of them were realised in the end. The on-going projects are in the process of testing various new elements, some of which may become innovations. Overall innovation is rated **moderately satisfactory (4)**.
138. **Overall effectiveness.** The portfolio was effectively in its contribution to the first COSOP objective. Reorientation towards inclusive value chain development as the main lending activity has started to yield positive outcomes. Aligning with China’s new environmental agenda, through dedicated climate smart agriculture activities or a stronger link between value chain development in poor areas and climate change adaptation, was a missed opportunity. Contribution from the non-lending programme to the second strategic objective of the COSOP was almost absent, which added to weaker effectiveness of the portfolio under this objective. **The CSPE rates effectiveness as moderately satisfactory (4).**

## Efficiency

139. **Efficiency has been a weaker point in the portfolio** (see figure 1 in Annex VII). While the legacy projects have received IOE ratings in the satisfactory range (>4), project-level ratings have deteriorated for the projects completed over the review period. The reviewed portfolio includes the two 4P pilots, which were rated below satisfactory by IOE<sup>169</sup>.The projects suffered from weaknesses in the design, institutional restructuring and insufficient understanding of the project concept, leading to slow implementation and disbursements.

### Operational efficiency

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<sup>166</sup> Design consultant interviews.

<sup>167</sup> In H2RDP, the farmer certification training programme is a results-based lending component. “Participation of women and young farmers” is the performance indicator triggering disbursement of the IFAD loan. According to interviews, this activity had hardly started in 2022.

<sup>168</sup> LGOP, lead agency for QL-MAPRP, described the water user associations as a new solution whether these had been piloted through another international project, in the same counties.

<sup>169</sup> Rated moderately unsatisfactory (SSADeP) and unsatisfactory rating (JiMAAPP).

140. **Project management costs have sharply decreased over the review period**, from an average of 14 per cent of legacy projects to 8 per cent of 2011 COSOP to 5 per cent of 2016 COSOP. Furthermore, project management costs at completion were significantly lower than estimated at design and also below the IFAD benchmark of 10 to 15 per cent.<sup>170</sup>The large reduction of management costs seems to have negatively affected efficiency in projects such as YARIP, SSADeP and JiMAAPP. In some cases, counties received insufficient allocations for project management.<sup>171</sup>The projects were unable to convert the budget savings, for example in much needed technical assistance.<sup>172</sup>
141. Under the 2016 COSOP, project management costs estimated at design continued to decrease (see figure 18 in Annex VII).<sup>173</sup> Tightened governmental measures for the Administration of Loans and Grants from International Financial Organizations and Foreign Governments (MOF Decree No. 38) appears to have been a main factor for reducing management costs.<sup>174</sup> For example, spending on vehicles and external technical consultancy were excluded from the project management costs. Travel restrictions during the COVID 19 pandemic have further reduced project management costs. For on-going projects, the reduced budget for project management seems to have created less challenges.
142. **Coherence between AWPB and implementation deteriorated from 2015 to 2019.** The review of supervision and implementation support (SIS) ratings shows that coherence between the Annual Work Plan and Budget (AWPB) and implementation and quality of project management were below the satisfactory mark for most of the period (see Figure 3). Performance has deteriorated since 2015 and only started to improve again in 2020 after the two 4P pilot projects (JiMAAPP and SSADeP) were concluded and one year after the out posting of the country director.
143. Aligning the project implementation with the annual work plan and budgets was a recurring issue; incomplete implementation of project annual plans led to a slow progress.<sup>175</sup>As a result, projects had to quickly disburse the remaining funds during the final year in order to achieve their financial target (JiMAAPP).<sup>176</sup>The SSADeP PCR stated that during the final three years, the project disbursed funds more than six times the amount of the first three years, indicating that a complete and more efficient uptake and scaling up of the innovations would have needed more time to generate the full results after the MTR adjustments.<sup>177</sup>

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<sup>170</sup> The decrease of project management did not lead to better efficiency ratings though (see figure 18 in Annex VII).

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<sup>171</sup> JiMAAPP PCR, p. 7

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<sup>172</sup> YARIP PCR, p. 9

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<sup>173</sup> IPRAD-SN and H2RDP have the highest project management costs at 7 per cent, followed by Y2RDP at 4 per cent and SPRAD-SS at 3 per cent.

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<sup>174</sup> [http://www.gov.cn/gongbao/content/2017/content\\_5204896.htm](http://www.gov.cn/gongbao/content/2017/content_5204896.htm)

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<sup>175</sup> Project audit reports, including HARIIP Audit reports, FY 2013, 2014, 2015, 2017; YARIP Audit reports, FY 2013, 2014, 2015, 2017; JiMAAPP Audit reports, FY 2016, 2017, 2018, 2019; QL-MAPRP Audit report, FY 2017, 2018; IPRAD-SN Audit reports, FY 2018-2019; SPRAD-SS Audit report, FY 2018-2019; Y2RDP Audit report, FY 2021.

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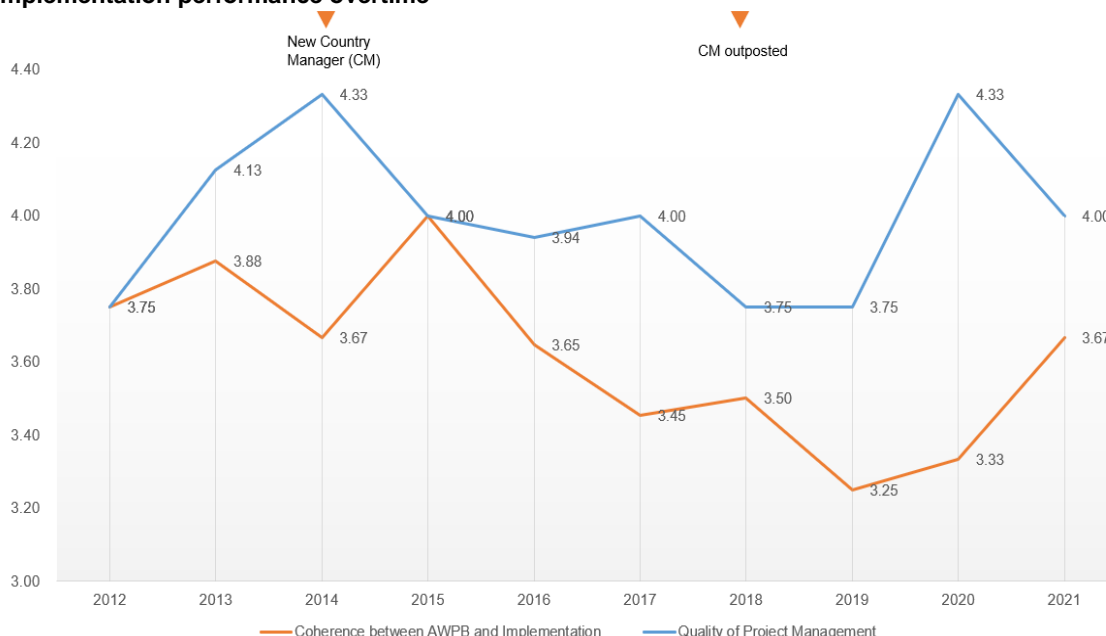
<sup>176</sup> For example, twenty-three new sets of software and 199 computers for the extension stations were purchased on the final year; one county extension station and one road serving an agricultural park were built.

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<sup>177</sup> SSADeP, PCR, p.5.



**Figure 3**  
**Implementation performance overtime**



Source: 2012 to 2021 SIS ratings on project management of China portfolio

144. The fundamental challenges affecting the majority of PMOs were inadequate personnel, excessive staff turnover, limited incentives and skills, and excessive workloads. PMOs consisted of government staff, who were mostly existing staff financed by the lead agencies, sometimes overburdened with other departmental duties and non-IFAD projects. Institutional reforms led to changes in the PMO personnel in provinces affecting project management (e.g. IPRAD-SN). Turnover of PMO staff at the local level, high workloads and lack of incentives affected project management to varying degrees in several projects.<sup>178</sup>The absence of signed contractual documents or secondment letters for the staff assigned to PMOs may have caused some ambiguity and lack of accountability regarding the roles, responsibilities, and expected outputs of project staff.<sup>179</sup>For instance, in SPARD-SS staff reportedly failed to perform their job responsibilities effectively, which was a cause for activities to come to a halt from April 2020 to April 2021, leaving six planned infrastructures unconstructed.<sup>180</sup>
145. Capacity gaps were noted with regard to M&E, financial management, procurement and technical aspects.<sup>181</sup>Lack of expertise in cooperatives and value chain development was mentioned as a critical factor by several PMOs during the CSPE interviews. In Hunan, the experiences with limited capacities in HARIIP have led government to appoint full-time staff for H2DRP, who are in charge of financial management, procurement, and coordination. In addition, they have integrated staff from women's federation into PMOs at the county level.

## Financial performance

<sup>178</sup> Reported by GIADP, HARIIP, YARIP, Y2RDP, and QL-MAPRP.

<sup>179</sup> According to the IFAD's internal audit report 2019, project staff did not consistently have signed contractual documents or secondment letters detailing their contractual relations and obligations in the IFAD-funded projects to which they were assigned.

<sup>180</sup> SPARD-SS Audit report, FY 2020.

<sup>181</sup> According to SSADeP PCRVR, the expertise of project staff in supporting M&E, in conducting surveys, and in collecting village level data was not sufficient, limiting project data quality. (SSADeP PCRVR, p. 10.). YARIP also reported was a shortage of competent staff for M&E, following changes of staff (CSPE interviews).

146. The effectiveness gap was below APR average and has further reduced over the evaluation period (see figure 20 in Annex VII). Integration of project management into the government framework has enabled the government to significantly reduce the time lags of approval to effectiveness required for COSOPs and projects over time.
147. **Slow start-up has become a major problem affecting recent projects.** While time lags from approval to effectiveness have reduced, the delays from effectiveness to first disbursement have significantly increased.<sup>182</sup>This initial start-up process took an average of 12.75 months for legacy projects, 26 months for 2011 COSOP and accelerated to 15.5 months for 2016 COSOP (see figure 22 and 23 in Annex VII).<sup>183</sup>The delays in initial disbursements were related to the complex internal processes for mobilising budgets from departments of finance at different levels.<sup>184</sup>The ICO reported that delays prior to the first withdrawal application also aimed at minimizing interest payments. The initial delays often had a knock-on effect the coherence between work plan and budget, ultimately also delinking project designs from fast-evolving local development circumstances. Slow project start-up was highlighted as an important issue by respondents in the China CSPE stakeholder survey (Annex IX).
148. Disbursements were usually slow during the first two to three years of implementation, with the exception of few projects (HARIIP, YARIP) (see table 3 in Annex VII). The ongoing projects show similar disbursement patterns; including one “problem project” (Y2RDP).<sup>185</sup>Project audit reports stressed the need for PMOs to expedite the submission of withdrawal applications, to avoid a mismatch between the project real physical progress and the project disbursement rate, and ensure a full disbursement at completion.<sup>186</sup>According to CSPE interviews, slow submission of withdrawal applications partly stemmed from the IFAD complex withdrawal procedures and strict requirements on the documents provided along with the withdrawal application, which was challenging especially for PMOs with less experience in financial management of foreign-funded projects.<sup>187</sup>However, setting up an efficient financial management system with trained and stable staff took time, which also explained the slow disbursement of funds during the first half of the project implementation.<sup>188</sup>

### **Economic efficiency**

149. **Cost per beneficiary.** The cost per beneficiary increased over the period (see figure 24 in Annex VII) as projects have reduced coverage and increased

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<sup>182</sup> Delays to first disbursements are now above APR average (4.7 months), IFAD average over the same period (8.9 months), as well as that of legacy projects (see section of disbursement of funds).

<sup>183</sup> Longest time lags from concept approval to EB approval occurred in QL-MAPRP and JiMAAPP, with a period of 48 and 39 months, respectively. By contrast, Y2RDP and H2RDP showed a fast progress with a period of only 7 and 8 months.

<sup>184</sup> Causes for the delays mentioned in PCRVs and CSPE stakeholder interviews: (i) extra initial coordination between government partners and implementation agencies (QL-MAPRP, Y2RDP); (ii) complex project designs accompanied by lack of understanding of the project concept (H2RDP, Y2RDP, IPRAD-SN, YARIP, JiMAAPP, SSADeP); (iii) overly ambitious AWPBs (GIADP); (iv) matching the on-going domestic infrastructure projects with IFAD-funded projects as a measure of governmental counterpart funds requires extra coordination (Y2RDP, QL-MAPRP, HARIIP); (v) programme and government staff turnover (HARIIP, YARIP, QL-MAPRP, Y2RDP); and (vi) delays in mobilizing financial resources (SSADeP, JiMAAPP, YARIP).

<sup>185</sup> Status 12 January 2023

<sup>186</sup> Project audit reports JiMAAPP, FY 2016, 2017, 2018, 2019; Project audit reports QL-MAPRP, FY 2016, 2017, 2018; YARIP audit reports, FY 2013, 2014, 2015, 2017.

<sup>187</sup> QL-MAPRP, IPRAD-SN, H2RDP.

<sup>188</sup> According to QL-MAPRP PCRv, even during the last years, more attention was paid to adequacy of the financial programming and the disbursement plan. Nevertheless, deficiencies were recurrently reported e.g. delays in payment of contracts in 2017 and lack of proper documentation of expenditure.

investments into rural infrastructure which the government predominately finances (see figure 17 in Annex VII). In other cases, project costs decreased because some components did not materialise.<sup>189</sup>

150. **Focus on market access has increased the economic returns for farmers.** YARIP and GIADP PCR identified cash crop production for sale with reasonable market access, diversified perennial crop production and landrace livestock interventions as the key drivers of the economy of the project.<sup>190</sup>SSADeP also achieved a high EIRR at completion, but was noted for its insufficient pro-poor focus in the IOE PCR. The remaining projects have shown lower economic returns at completion compared to appraisal.
151. The ex-post Economic and Financial Analysis (EFA) for closed projects varied in the quality of the analysis, included unjustifiable assumptions and lacked of source of information and specific data (see figure 25 in Annex VII).<sup>191</sup> Despite large investment in rural infrastructure across projects, the related benefits and costs were not considered in EFA.<sup>192</sup>The economic analyses mainly focus on farm activities, indirect benefits from other project activities, such as support to women and farmers' cooperatives, institutional improvements, technical envoy, capacity training, were sometimes excluded in the analyses due to a lack of detailed and verified information.<sup>193</sup>Lastly, substantial environmental benefits yielded by the project interventions have not been fully quantified in the EFA.<sup>194</sup>Therefore, a robust and sound assessment of economic returns generated by the country projects remains limited.
152. **Overall efficiency** has been below the moderately satisfactory mark in the 2011 COSOP loan portfolio. Nonetheless, the projects have made gradual improvements along the project implementation by learning by doing and exchanging experiences with different projects, disbursement rate has been accelerated after mid-term, the quality of project management has raised above the level of moderately satisfactory, and the project successors have managed to resolve some of staffing challenges, **the criterion is rated moderately satisfactory (4).**

## Rural poverty impact

153. Establishing IFAD's contribution to rural poverty reduction in the context of China's fast changing environment was a challenge throughout the reviewed period.<sup>195</sup>Evidence became even more difficult to assemble as the portfolio

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<sup>189</sup> The largest cut down of project cost occurred in SSADeP. Because the contribution of the Loan Guarantee Fund by partner banks did not materialize, the project cost went down from 117 USD million to 86 USD million. (SSADeP PCR, p. 2.)

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<sup>190</sup> JiMAAPP's cost-benefit analysis showed that the project had an EIRR of 16 per cent, a positive NPV of CNY 5458 million at a discount rate of 5 per cent, and a BCR of 1.01. A positive NPV, relative to the current opportunity cost of capital of 5 per cent, indicates that the project investments were prudent but unattractive. However, a low EIRR reflects early delays, and the bulk of subsidies and grants were redirected to beneficiary households at MTR. According to the switching value analysis, the project investments are insufficient to support even a 20% reduction in total benefits or a 20 per cent rise in expenses. Even with a 10 per cent rise in cost and a 10 per cent reduction in benefits, the project's EIRR remained non-viable.

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<sup>191</sup> The bulk of the project's EIRR proved to be more than the opportunity cost of capital (5 per cent or 8 per cent), confirming the project's profitability despite the fact that a 10 percent EIRR is "generally" low.

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<sup>192</sup> HARIIP PCR, p.88; YARIP PCR, p. 29; GIADP PCR, p.40; QL-MAPRP, PCR; Nevertheless, projects that included infrastructure also had the highest EIRR at completion (GIADP, HARIIP, YARIP).

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<sup>193</sup> DAPRP PCR, p. 10; QL-MAPRP, PCR.

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<sup>194</sup> QL-MAPRP, PCR.

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<sup>195</sup> IOE ratings (PCRvs/PPEs) for rural poverty impact were moderately satisfactory (4) for the majority for projects review. Only two of the legacy projects were rated satisfactory (5): MRD\_-XUAR and IMARRAP. JiMAAPP was rated moderately unsatisfactory (3). IOE's ratings were consistently lower than the PCRs due to the absence of credible evidence.

gradually moved towards value chain development. Three factors contributed to this difficulty. First, rural households throughout China were combining farming and migration in increasingly diversified ways, for instance generating part of their income from renting some farmland.<sup>196</sup>Second, the project counties benefitted from massive investments into infrastructure and other government programmes that enhanced market access; for example, these programmes supported e-commerce throughout designated poor counties. Third, the period reviewed mostly coincides with China's campaign for the eradication of absolute rural poverty, that took the form not only of grant programmes and technical assistance down to individual villages and households, but also of the corporate sector's commitment to support value chain development in designated counties.

154. The available impact assessment studies include (i) two PPEs (2016 and 2019); (ii) two counterfactual impact assessments carried out by RIA, for IMARRAP (2013) and GIADP (2017), and (iii) an impact evaluation of projects closed in or before 2013 (Shuai 2016).<sup>197</sup>In addition the CSPE uses the two surveys carried out in 2021, for QL-MAPRP at project end and SPRAD-SS at mid-term, which were of adequate quality.<sup>198</sup>These documents reflect the continuing effort to assess the rural poverty impact using counterfactual analysis.<sup>199</sup>To complement these sources, the CSPE provides a qualitative analysis of progress towards impact, based on the theory of change: to analyze the linkage from the COSOP's strategic objectives to its goal of reducing poverty and enabling smallholders in poor priority areas to benefit from the rural transformation process, findings on effectiveness are combined with information from household surveys (see table 4 in Annex VII). The CSPE team conducted PMO interviews and the PCR's minutes of stakeholder workshops to analyze institutional impact.<sup>200</sup>

### **Income and assets**

155. The legacy projects contributed to improvements in crop and livestock productivity and value, which translated into farm income gains. Projects were generally effective in raising crop and livestock productivity as well as the value of production. The ECPRP PPE conducted a difference in difference analysis showing positive impact on the yields of staple crops. Impact on very poor and marginalized groups was quantified in one study (Shuai, 2016) for the 2005-2013 period: IFAD projects directly contributed to 8 percent of additional poverty reduction in their project areas; impacts were visible in terms of household durable assets, per capita

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<sup>196</sup> For example, a recent survey in Southeast Jiangxi Province found that only 10 percent of households had pure farming strategies (less than 10 percent of income from non-agricultural sources). Agriculture accounted for 10 to 90 percent for 70 percent of households. Wang Chengchao Wang, Xiu He, Xianqiang Song, Shanshan Chen and Dongshen Luo 2022. Dynamic livelihood impacts of COVID-19 on different rural households in mountainous areas of China. *PLoS ONE* 17(9).

<sup>197</sup> The 2016 impact evaluation took place as part of the IFAD9 impact evaluation initiative. It covered 3 legacy projects (ECPRP, MRDP-XUAR, DAPRP) and 3 earlier projects. In addition, the initiative commissioned an impact evaluation of the IMARRAP by CAAS. The multi-project findings were published as (1) Shuai 2016a (Impact evaluation on IFAD-supported projects in rural China closed/closing between 2010-2015), background paper to the 2016 COSOP and (2) Shuai 2016b (Li Wenjing, Shuai Chuanmin, Shuai Jing, Cheng Xin, Ding Liping and Li Mengmei, 2016, Evaluation on Precision Poverty Eradication Effects of IFAD Projects in Rural China Based on Household Asset Index. *China Soft Sciences Journal* 2016:7, pp 66-77.

<sup>198</sup> Altogether the CSPE accessed 4 completion surveys. No survey was undertaken in GIADP since an impact evaluation was commissioned. The YARIP impact survey was unavailable; the PCR reported having used survey data but did not provide data.

<sup>199</sup> QL-MAPRP was the first project to add a sample of non-beneficiaries in the end line survey. The data was deleted from the survey report due to limitations in the sampling. More recently, the SPRAD-SS mid-term review failed to identify a sample of non-beneficiary households in project villages. The plan is to sample comparable villages in non-project counties in the end line survey.

<sup>200</sup> The PCRs of the six completed projects included stakeholder workshop minutes and are therefore a fair source of evidence on institutional impact.

income and multidimensional poverty.<sup>201</sup>Project phasing was a contributing factor: impact was higher when the projects' soft activities started earlier.<sup>202</sup>The deep-dive impact assessment for IMARRAP reported an overall positive impact on economic mobility; its direct beneficiaries were 9 per cent and 11 per cent more likely to be above the asset-based poverty line at the 40<sup>th</sup> and 60<sup>th</sup> percentile ranks. Direct beneficiaries of IMARRAP reported 25 per cent higher revenues from crop sales than the control group on average, even though the study found no significant impact on average crop yields.<sup>203</sup>

156. For the 2011 COSOP projects, similar evidence is available from GIADP for non-staple crops: incomes increased by 35-45 percent as a result of increased fruit and vegetable yields and improved market access. Given the growing diversity of agricultural production activities, yield increases were not quantified anymore; comparing yields in project counties with provincial levels had limited relevance. The RIA impact evaluation of GIADP found that **combined infrastructure, technical assistance and marketing support were more effective for households at the lower end of the income distribution**; however overall only 10 percent of project villages benefitted from that combination. The RIA study also found positive effects on savings and durable assets: household savings and durable assets in the treatment group were 41 per cent and 11 per cent higher than those in the control group.
157. **These improvements supported mixed farm/off-farm livelihoods, contributing to more resilient livelihoods in poor areas.** Impact surveys consistently documented how the population in project villages combined income generation from agriculture, off-farm migration, and increasingly land rental. The QL-MAPRP impact survey reported in 2021 that farmers have broadened their sources of income to multiple channels, in a period when 40 percent of respondents had reduced off-farm employment due to the COVID-19 pandemic and were therefore relying more on farming. The QL-MAPRP also reported job creation for persons with disabilities took place. The completion surveys do not provide data on waged agricultural work created by the projects. For the ongoing projects, the mid-term surveys of on-going projects found that most of the jobs created were seasonal. Qualitative observations indicated that these were generally low waged jobs, targeting women and the elderly, but otherwise no information was available on wage levels in beneficiary cooperatives and enterprises.<sup>204</sup>
158. **Positive impact on household assets was the result of increased off-farm income rather than agricultural incomes.** In the closed projects, households' home assets, including individual transportation means, increased over the period. The two counterfactual impact evaluations found positive project impact, by 10 percent points in both cases.<sup>205</sup>In four of the five completed projects, the endline household surveys documented how increases in home appliances – a relatively solid indicator, based on samples of around 1000 households – had taken place

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<sup>201</sup> 801,661 beneficiaries were lifted out of poverty as a result of IFAD project implementation based on the World Bank poverty line, of which 454,190 direct beneficiaries". This compares with a total of 5.5 million people having existed poor household status in the 9 provinces. Evidence was assembled through a sample of around 1,400 households in 49 beneficiary and non-beneficiary villages.

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<sup>202</sup> Shuai et al 2016a.

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<sup>203</sup> There were decreases in the number of crops grown for both direct and indirect beneficiaries, which may suggest that the project had an impact on the specialization of crop production. (IFAD9 Impact Assessment Initiative Technical Reports, 2016)

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<sup>204</sup> HARIIP PPE, Jiangxi PCR.

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<sup>205</sup> Shuai 2016a confirmed the impact of IFAD projects on households' durable goods except in ECRDP Ningxia and IMARRAP.



early during the project, suggesting that households mostly used off-farm income from remittances to purchase these items.

159. Households increased their livestock assets in some projects. The legacy projects in areas specializing in animal husbandry, such as Ningxia in ECRPP, increased livestock assets through promotion of more intensive forms of cattle raising, releasing pressure on fragile land resources. The IMARRAP impact study did not find a significant effect on livestock. Under the 2011 COSOP, the GIADP evaluation confirmed the increase of small livestock assets in poor counties.<sup>206</sup> QL-MAPRP also saw a significant increase in animal assets.
160. **Under the 2011 COSOP, the practice of supporting land-based cooperative effectively reduced farmers' assets.** Among four projects that involved transfer part of their rights on land to cooperatives, three projects reported decreases in livestock assets (JiMAAPP, SSADeP and HARIIP) and/or farmed land area (JiMAAPP and SSADeP). For one of these projects (SSADeP) the PCRV reported that smallholders were marginalized when they became members of land-based cooperatives. QL-MAPRP is the only project with a well-documented transfer of land rights among beneficiaries: 30 percent of beneficiaries converted their productive land assets into land rental income.<sup>207</sup> The ongoing projects did not support land-based cooperatives to the same extent. In SPRAD-SS only 3 per cent of the households had transferred part of their rights on land.<sup>208</sup>

### Human and social capital empowerment

161. **Support of community-level organisations contributed to human and social capital in the completed projects.** The legacy projects had positive impact on the development of cooperatives and on human and social capital in the villages: the difference with non beneficiary villages was significant, although small.<sup>209</sup> All PCRVs (other than JiMAAPP) confirmed the positive impact generated through knowledge and skills, through cooperative membership and through partnerships between the cooperatives and market operators.<sup>210</sup> Cultural centers, an activity specific to YARIP, further contributed: in combination with safe drinking water supply, they allowed farmers to save time and increase their participation in community activities. The mid-term surveys of the on-going projects documented how cooperatives in IPRAD-SN, contract farming in SPRAD-SS, served as a vehicle for skill development, with active demand from participating smallholders for training in production techniques.<sup>211</sup>
162. **Community-level infrastructure projects were an important avenue for strengthening local governance.** In the legacy projects,<sup>212</sup> participants in the project completion feedback workshops spontaneously highlighted how the use of a

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<sup>206</sup> The land area was a control variable in the GIADP impact assessment. It was by design similar in the beneficiary and non-beneficiary sample.

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<sup>207</sup> 30 percent of beneficiary respondents transferred, i.e. rented out, around one hectare on average (20 mu), while 15 percent gained two hectares on average (33 mu).

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<sup>208</sup> The IPRAD-SN mid-term survey did not provide this information.

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<sup>209</sup> Shuai 2016a: "The average capability of Farmers Cooperatives in the project villages was enhanced by 75 percent over the project implementation period", 7 points more than in the control villages. Similarly, the net contribution of IFAD projects on human and social development was 10 points.

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<sup>210</sup> In JiMAAPP, only 10 per cent of respondents in the final survey stated that agricultural skills among households has increased, consistent with the project's limited involvement in skill development activities.

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<sup>211</sup> The MTRs reports notes higher outreach to farmers in SPRAD-SS, with 80 percent of farmers covered by the skill development activities, and lower outreach in SPRAD-SS, with only 40 percent of farmers. In SPRAD-SS, contract farming contributed to higher coverage. In IPRAD-SN, training was delayed due to COVID-19 restrictions and priority was given to infrastructure.

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<sup>212</sup> ECPRP, IMARRAP, DAPRP.



participatory approach had been introduced, with positive results. In contrast none of the PCRs reported such feedback for the completed projects. The HARIIP PPE documented how planning rural infrastructure in the province now took place at township level and contractors were managed by the county, the administrative village committee being only contributing to monitoring. Instead, the IFAD portfolio continued to build capacity through the cooperatives. The village implementation groups (VIGs) remained in place but their role declined other than for reporting. These changes reflected a national-level evolution in the governance of rural areas.

### **Food security and nutrition**

163. **Projects contributed to diet diversity mainly through agricultural interventions.** For the legacy projects, the impact study of IMARRAP found that beneficiaries consumed more categories of food, namely 12 per cent higher for direct beneficiaries and 8 per cent higher for indirect beneficiaries.<sup>213</sup> For the completed projects under 2011 COSOP, household surveys identified positive trends in diet diversity in four projects, negative trends in the two others. The HARIIP PPE found that persistent child malnutrition in project villages was unrelated to project activities. JiMAAPP reported a marked improvement in their consumption of poultry and fish; however, direct impact from the project was found limited since this positive change was already visible at a time when the project became active.<sup>214</sup>
164. The GIADP impact assessment (RIA, 2018) did not observe any impact of the project on dietary diversity among households in poor counties, whereas households in non-poor counties reported less diverse diets. In non-poor counties, households receiving agricultural interventions exhibited greater dietary diversity, whereas those receiving infrastructure interventions showed a significant decrease in dietary diversity. RIA recommended further understanding the pathways that affect beneficiaries' welfare and well-being through tailored agricultural and marketing support, coupled with focused infrastructure. Apart from the project impact on nutrition indicated by the dietary diversity, RIA did not find significant impacts of the GIADP project interventions on food security<sup>215</sup> and resilience.
165. Diet diversity remains a relevant issue in the on-going projects: as recently as 2021, 20 percent of SPRAD-SS mid-term survey respondents stated they ate meat occasionally or not at all.

### **Institutions and policies**

166. **While implementation was integrated into government structures, the institutional impact of projects remained minor.** Projects mainly focused on individual skill building that did not result in institutional change. Frequent staff turnover in part of the provinces further prevented the integration of improved working methods. Three out of six PCRs concluded to modest or no institutional impact from the completed projects.<sup>216</sup>
167. During the CSPE interviews, PMO staff and agricultural extensionists highlighted how they enhanced their operational skills, mainly in relation to three domains: targeting poor households, outreach to more villages and attention to gender and women's empowerment. This positive capacity-building effect was reported in three completion stakeholder feedback workshops, confirmed in the PMO interviews, and

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<sup>213</sup> IFAD9 Impact Assessment Initiative Technical Reports, 2016.

<sup>214</sup> JiMAAPP. PCR.V.

<sup>215</sup> Food security was measured with the coping strategy indicator, which was calculated following WFP's coping strategies index (CSI), a measure of the severity of the coping strategies implemented by households when facing food shortages.

<sup>216</sup> HARIIP, SSADeP, JiMAAPP.

- highlighted again in the wrap-up meetings with the provinces.<sup>217</sup>The PMO interviews also revealed that in provinces and counties implementing a second IFAD project the current PMO had no knowledge of the earlier project.
168. There was only scant evidence that projects had an impact on the development or implementation of government policies.<sup>218</sup>The only example found is related to the QL-MAPRP, where LGOP was lead agency: the PMO stated that the projects' targeting approach had helped their implementation of the poverty eradication campaign, and that the approach to gender had been adopted in the provincial LGOP.<sup>219</sup>
  169. There was no evidence of positive impact from non-lending activities on the definition or implementation of policies. This was unsurprising in the national context. Furthermore, the M&E system did not seek to capture the outputs or outcomes of knowledge management, partnership building or policy engagement activities.<sup>220</sup>According to the CSPE survey respondents, IFAD promoted an active role for smallholders through the provincial projects, not through national policy-level engagement. What IFAD did, according to the CSPE survey and interviews, was to produce and disseminate knowledge and information on key themes, bring strong expertise on value chain development and build solid partnerships at national and local levels.
  170. **Overall poverty reduction impact.** The portfolio's impact on target groups was on par with the overall reduction of poverty in project areas. IFAD-supported projects have made visible contributions to household livelihoods through increased productivity and incomes, and enhanced human and social capital. Households at the lower end of the income distribution had experienced greater reduction of poverty when projects provided infrastructure in combination with technical assistance and marketing support. Projects contributed to building individual skills among government staff, not institutional capacity, and impact from non-lending activities was not visible. On this basis, the CSPE concludes that the poverty impact of the 2016 strategy **was moderately satisfactory (4)**.

## Gender equality and women's empowerment

171. **Participation of women in the projects was consistent throughout the period.** Women accounted for 57 percent of direct beneficiaries in the legacy projects, 49 percent in the completed projects and 47 percent in the two on-going projects having reached mid-term (IPRAD-SN and SPRAD-SS). Gender-disaggregated participation indicators in the project were assembled in all projects as required in the logical frameworks. In the legacy and completed projects, these indicators only related to overall participation and participation in training, while other relevant indicators were absent. For example, projects with a rural finance

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<sup>217</sup> Interviews with HARIIP and YARIP PMOs. JiMAAPP also provided positive feedback in the PCR minutes.

<sup>218</sup> Also see Q3.3.5 in the client survey (Annex VII, Figure 11)

<sup>219</sup> Similar findings were made ten years ago: earlier IFAD projects reportedly impacted national poverty alleviation policies in their approach to targeting and enhanced attention to M&E; this was described as a joint contribution from development partners (Shuai Chuanmin, Zhou Li and Ruomei Sun 2011. IFAD projects: results and impact on poverty reduction in rural China). This was a multi-project counterfactual impact evaluation for 12 projects completed up to 2006, combined with stakeholder interviews. Authors noted that such impact had developed over a long period of time. Whether the institutional impact noted for more recent projects may further develop over the long term is not known.

<sup>220</sup> The CRR (2021) stated that it was methodologically difficult to assess the non-lending activities. For example, results in policy engagement should be assessed against the impacts on the strategic thrusts, but measuring 'intangible' impact was more difficult than measuring results or outputs and it also needed time.

- component did not monitor the gender of borrowers. The on-going projects have added several indicators to monitor efforts towards women's empowerment.<sup>221</sup>
172. Approaches targeting women have yielded positive results, in particular where they involved infrastructure and micro-credit benefitting women. The legacy projects funded women microcredit groups and other women-only activities and were consistently rated satisfactory (5).<sup>222</sup> Investments into community and productive infrastructure have reduced the workloads of women although available data is limited. The QL-MAPRP end line survey (2021) found that women spent 5.5 hours a day on farming and other work, and the majority of women interviewed felt that the amount of time they spent on these had significantly decreased.<sup>223</sup> In other projects, no information was collected on workloads, or only anecdotal evidence indicating that improvements in the availability of drinking water benefit women as well as men, and that improvements in roads, the rehabilitation of irrigation canals or improved animal sheds also reduced workloads. At the end of the period, some interviewees stated that improvements in drinking water supply became less effective as the proportion of households without tap water declined while others, including in the Central provinces, underlined how there remained a need for such improvements.
173. The 2016 COSOP emphasised the strengthening of women's economic power as a means to make progress towards gender equality and awareness. The option taken was not to define a more precise gender strategy at that stage.<sup>224</sup> This new approach also called for ending women-only training courses since these reinforced gender stereotypes, and for raising attention to the potential of women in rural development rather than addressing the needs of women as fragile members in the household. The ICO added a part-time gender focal point in 2019. The on-going projects required hiring gender focal points in the PMOs.
174. **Recent projects moved from gender mainstreaming to gender transformative approaches.** Considering the existence of an enabling national framework, gender transformative approaches did not target the legal and policy conditions for women's empowerment. Instead, recent projects focussed on attitude changes at local levels, where they saw the main gaps.<sup>225</sup> Partnerships with UN Women and the All China Women's Federation (ACWF) were instrumental for moving forward the agenda in the context of the loan portfolio. Senior staff from UN Women China participated in the implementation support missions for two projects (QL-MAPRP and Y2RDP). The involvement of the ACWF aimed at building support mechanisms and networks for female entrepreneurs. For this evaluation, transformative results were not visible yet. The ongoing project rated as "gender

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<sup>221</sup> These include gender among cooperative board members, business plan support applicants and professional farmer certification training participants. The proportion of youth and ethnic minority people are monitored in addition to gender. The women's empowerment in agriculture index (WEIA) was introduced the baseline surveys of the latest two projects, for both men and women.

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<sup>222</sup> Among 4 legacy projects, only DAPRP was rated 4 in the PCR on gender equality and empowerment, a score that was confirmed by IOE.

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<sup>223</sup> The survey did not compare this finding with data from the baseline survey.

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<sup>224</sup> The 2016 COSOP working papers did not cover gender. IFAD's PTA provided support from a gender expert. The 2014 CSE gender working paper was mobilized. Upon CPM request, how to improve the approach of gender in IFAD projects was one of the key issues in the PPE of HARIIP.

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<sup>225</sup> There are indications that attitude change outcomes were mixed: among 15 interviews with provincial and county PMOs, 7 gave positive feedback on projects' gender empowerment activities and their outcome, some of them describing the approach as innovative. Two explained there was participation of women, not empowerment, while the other 6 did not spontaneously mention attention to gender in the IFAD-supported project.

transformative” at design (H2RDP, Y2RDP) are still at an initial stage, with awareness raising and training activities provided by the Women’s Federations.<sup>226</sup>

175. **The involvement of women’s federations enhanced the focus on business-minded women at local levels.**<sup>227</sup>The local branches of the ACWF continued to be main implementing partners, although recent projects rather relied on cooperatives or other service providers. At provincial level, ACWF co-headed the county or provincial PMO in some projects while others only gave an operational role to ACWF.<sup>228</sup>ACWF’s capacity building focussed on female entrepreneurs. The quality of the training was variable, and the PCRs reported uneven results.<sup>229</sup>In recent projects the share of women involved in in decision-making positions increased in beneficiary farmer cooperatives.<sup>230</sup>
176. **The focus on women entrepreneurs came at the cost of other aspects of women’s economic empowerment.** Under the 2016 COSOP the programme focussed on women’s position in value chain development activities. It did not address women’s participation in natural resource management and climate change adaptation, an entry point that UN Women describes as important. Wages and land use rights were also overlooked. Waged employment in agriculture was mostly unskilled and taken by women. With the ACWF’s focus on female entrepreneurs, women who were not entrepreneur-minded had less opportunities for capacity building. In the legacy projects and in the completed projects, broad numbers of women still had access to training to improve their agricultural production skills.<sup>231</sup>County PMO interviews indicated that broad-based skill development for women (as well as men) remained part of the projects in some cases, not in others, depending on the choices of individual county PMOs or cooperatives and enterprises.
177. **Overall,** IFAD sought new entry points to address the long-term issue of the gender gap and lack of women voices in China’s agricultural sector. Prioritizing women with an interest in leadership roles and enterprise development was relevant and effective, while continued investments into village infrastructure reduced the workloads of broader numbers of women. The partnership with UN Women contributed to enhancing gender performance in the portfolio and extended to non-lending. Mainstreaming attention to gender in grant-funded activities was a missed opportunity to generate an impact beyond loan projects. Support to women’s broad access to skill development programmes, a critical condition for empowerment outcomes reaching beyond entrepreneur-minded women, could have been applied more consistently. Performance on gender equality and women’s empowerment is rated **moderately satisfactory (4)**.

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<sup>226</sup> The closed projects with a high gender ratings design (6) at design (SSADEP, JIMAP) were rated “moderately satisfactory” on GEWE by IOE. Note that this was before IFAD has adopted the definition of “gender transformative”.

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<sup>227</sup> Source: 2021 COSOP review. ACWF and UN Women are partners at national level.

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<sup>228</sup> ACWF was PMO co-director in H2RDP designed in 2020, and in MRDP-XUAR designed in 2006. It remained outside the project leading groups in QL-MAPRP and IPRAD-SN.

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<sup>229</sup> The HARIIP PPE reported that ACWF accounted as project activities unrelated training courses ( in this case courses for homeworkers).

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<sup>230</sup> In IPRAD-SN, 21 percent of business plans approved by mid-term were led by women entrepreneurs, beyond the project’s target of 10 women-led cooperatives among 118 project-supported producer organizations. This proportion was 24 percent in SPRAD-SS. The proportion of female members in cooperative boards increased from 17 percent in the baseline survey to 22 percent by mid-term in IPRAD-SN.

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<sup>231</sup> County PMO interviews indicated that broad-based skill development for women (as well as men) remained part of the projects in some cases, not in others, depending on the choices of individual county PMOs or cooperatives and enterprises.

## Sustainability of benefits

178. **Institutional sustainability.** Loan projects generally showed good elements of sustainability.<sup>232</sup> Project management was embedded in government institutions and technical agencies, which was overall conducive to institutional sustainability despite staff turnover. However, the projects' assumption that there would be complete ownership and commitment by the government did not reflect reality. Only MRDP-XUAR designed a clear exit strategy, to be implemented by the provincial PMO.
179. Support to **farmer cooperatives and village implementation groups (VIGs)** contributed to socio-economic sustainability in the legacy projects, for example in DARP and MDPR-XUAR. The 2011 COSOP projects added emphasis on community-based organizations and social empowerment, with better prospects of overall sustainability. VIGs, water user associations (WUAs) and operations and maintenance (O&M) groups were supported more consistently, although the degree of ownership and participation varied. YARIP, in particular, fostered a high degree of community participation and ownership. Beneficiaries in this project were involved in a bottom-up participatory process while farmer cooperatives, VIGs, village committees, O&M groups and WUAs were supported through capacity building. YARIP was the only project in which farmers were encouraged to become cooperatives members without financial incentives, through providing them with information on the clear benefits to be expected from improved production services and market linkages.
180. **Technical and economic sustainability.** Projects have established O&M groups for maintaining community infrastructure, irrigation and drainage canals, village road and safe drinking water systems and have budgeted for smaller maintenance works. The lifespan of the community-level infrastructures relied on the capacities of the newly created cooperatives. The legacy Projects (MRDP-XUAR, DAPRP, IMARRAP) made handover and O&M arrangements with beneficiary communities. Difficulties in maintaining and operating infrastructure by recently formed groups was noted especially in poorer villages under ECPRP in Ningxia and IMARRAP. Infrastructure has occasionally been affected by extreme weather. Larger repairs would have required additional government funding, which has not always become available (HARIIP, YARIP).
181. The extent and duration of uptake of agricultural practices promoted under IFAD projects is uncertain. Lack of M&E data and failure to produce follow up agricultural surveys after the project closure contribute to this uncertainty. Insufficient access to training or poor-quality training modules also limited sustained adoption in certain locations, making a significant share of the agricultural production component go to larger producers.<sup>233</sup>

## Environment and natural resources management and climate change

182. The budget shares and human and technical resources dedicated to ENRM have been generally low and further decreased under the 2016 COSOP (see figure 6 in Annex VII). The two legacy projects, MRDP-XUAR and ECPRP still had dedicated components (with fair budget allocations) for sustainable land management. Ongoing projects, approved under COSOP 2016, focus mainly on climate proof infrastructure. Conservation of agrobiodiversity, another sub-component of 2016

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<sup>232</sup> Out of the six projects, four are rated satisfactory (5): GIADP, HARIIP, YARIP and QL-MAPRP. JiMAAPP and SSADeP are rated 3 and 4 respectively.

<sup>233</sup> Various contextual factors appear to have contributed to reduce outcomes from training for capacity building: lack of trainers and financial resources, annual professional training courses organised for a very small number of villagers in charge of O&M, logistical challenges of organizing trainings in remote villages; missed opportunities to support farmer-to-farmer horizontal training and village cross-visits for the farmers (HARIIP PPE)



- COSOP SO2 has not been included in any project design. The potential to implement renewable energies interventions in rural areas has not been realised.
183. IFAD approach to ENRM in China aimed at enhancing the sustainability of existing practices, avoiding further harm to the environment. Activities related to environmental sustainability and resilience were implemented under agricultural development, VC development/market access and infrastructure. Training and extension modules aimed to increase farmers awareness on IPM and organic farming. In some projects, such as YARIP, interventions to ease access to drinking water, general village sanitation and waste management practices were regarded as ENRM. In ongoing projects, environmental sustainability was pursued indirectly by supporting farmers to join cooperatives and present BPs, which have to comply environmental standards, by supporting the government certification of 'professional farmers', and through strict adherence to public policies and provincial plans.
  184. Support to sustainable farming practices such as organic agriculture, the use of organic fertilizer and integrated pest management (IPM) contributed to reduce negative environmental impact. The environmental outcomes reported for these activities were rarely substantiated by strong evidence. Specifically, information on the actual status of water resources and the overall resource base was not available.<sup>234</sup> There was no information on the extent to which sustainable practices were continued beyond the project. The PCRs also lacked technical assessments to measure project impacts, for example on pollution reduction or soil fertility.<sup>235</sup> The assessment of environmental benefits through impact surveys remains weak, and considerations of environmental sustainability are mainly based on assumptions that lack evidence-based assessments, such as sustained fuel and water saving measures and environmentally-friendly land-used practices (GIADP, YARIP, HARIIP, QL-MAPRP).
  185. **Climate change adaptation.** The programme supported farmers' resilience and adaptation to climate change through different channels, including opportunities for on-farm and off-farm diversification. The legacy projects had an integrated approach to climate resilience, which included construction of greenhouses and net-sheds, water saving irrigation facilities (such as drip irrigation beneath mulching), pastureland rehabilitation, tree plantation, introduction of drought-tolerant crop varieties, and technical training on adaptation technologies including appropriate water use, soil management, input application.<sup>236</sup> Irrigation, greenhouses and animal sheds allowed to intensify production in dry environments while reportedly paying attention to water resources, through an increase in water efficiency. Land rehabilitation through terracing, permanent tree crops and afforestation have helped control erosion and mudslides. Shifting from annual to perennial crops was promoted although evidence on the actual climate change adaptation outcome is missing.<sup>237</sup>
  186. Projects such as GIADP and HARIIP also showed good results in supporting diversification. GIADP supported diversification from grain to fruit and vegetables. HARIIP, supported micro-ecosystem at household level, increasing the usage of organic fertilizer and low-cost and eco-friendly weed control. SSADeP foresaw crop

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<sup>234</sup> Anecdotal evidence exists for older projects, such as DAPRP, IMARRAP, and ECPRP (highly localized in Ningxia), and for JIMAAPP, for which an increasing interest from farmers and agribusinesses towards organic agriculture and other environmental-friendly practices was confirmed in the end line impact survey. Other 2011 COSOP projects only reported the number of farmers that received training and / or inputs.

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<sup>235</sup> In any case, project contributions to environmental improvements would be difficult to establish given the large government programmes for reforestation, grasslands and soil fertility improvement that took place in parallel.

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<sup>236</sup> (MRDP-XUAR PCR, IMARRAP 2014 supervision report)

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<sup>237</sup> In 2022, the Central government announced that the expansion of perennial crops on agricultural land was to be controlled.



- diversification, including drought resistant crop varieties and planting for annual crops based on weather forecast. However, the impact of these measures has not been assessed. The GIADP Impact Assessment (2018) reported: "Relative to the resilience dimension, proxied by both the coping strategy and the ability to recover indicators, we did not find any positive and significant impact except for households residing in poor counties and receiving the infrastructural component."
187. The on-going projects effectively shifted from gravity irrigation to more efficient irrigation modalities. For example, drip irrigation under greenhouses was repeatedly mentioned in PMO interviews. In IPRAD-SN and SPRAD-SS, technical assistance to introduce and expand new climate-resilient infrastructure options was just starting at mid-term, so that the projects continued to support rural infrastructure with the use of existing design. In SPRAD-SS, the first project that introduced climate information services, this activity had not started at project mid-term. Agrobiodiversity conservation, one of the thematic areas of focus under SO2, had been tested in QL-MAPRP for indigenous medicinal plants, but was not reported in the on-going projects.
188. The "**climate finance**" included in H2RDP and Y2RDP intends to reduce the risks and impacts associated to the changing of weather and climate conditions, in particular increase in variability and unpredictability.<sup>238</sup> Two main activities, climate information services and climate-proofed infrastructures, were supposed to be funded under the climate finance. Y2RDP allocated 26 per cent of climate information services related budget in support of improving the local meteorological stations (2022 Supervision Mission). Climate-proofed infrastructures were implemented with fair delivery both in Y2RDP<sup>239</sup> and H2RDP.<sup>240</sup>
189. **Application of environmental and social safeguards** was at the required minimum while social safeguards only started to be taken into account in the most recent projects. This did not help identify opportunities to enhance positive environmental or social project impact. IFAD's social and environmental and climate assessment procedures (SECAP) were introduced in the China portfolio in 2016, four years after IFAD defined it. They were initially limited to an environment and climate change adaptation section. The projects were implemented in accordance with the legal, regulatory and institutional framework for managing environmental risks and impacts that was assessed as appropriate in the SECAP reports. The IOE reports did not identify any instance of significant environmental impact. In the last two projects (Y2RDP and H2RDP), the reports also covered the social dimension and provided an action plan. It was too early during the CSPE to observe to what extent it was being implemented. A land tenure assessment was missing throughout the period, whereas the beneficiary cooperatives and enterprises were engaging in rapid land consolidation. The SECAP neither undertook additional engagement with local communities at project design stage, nor recommended such engagement to the project design teams to ensure fair and equal benefits from the land consolidation process.
190. **Overall**, IFAD's approach to ENRM and CCA in China mainly pursued the dissemination of modernized facilities and techniques for dry and/or cold environments, with increasing attention to the efficient use of water resources. IFAD-funded interventions had a narrow focus on sustainable practices, crop diversification, access to markets, and infrastructure, in different combinations depending on the projects. Overall, ENRM and CCA is **rated moderately**

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<sup>238</sup> H2RDP, Y2RDP Project Design Completion Reports.

<sup>239</sup> During the wrap up meeting, Y2RDP further reported that the project has completed 13 infrastructure construction sub-projects in support of public infrastructure to address climate change, including high standard farmland construction, meteorological station construction, smart irrigation system and climate smart infrastructure construction.

<sup>240</sup> H2RDP 2022 Supervision Mission reported main achievements being: 37 km of irrigation canals and 3km of water pipelines, 57 water ponds, and 11 km of drainage ditch. 38 villages have benefited from the project support.

**satisfactory (4)**, due to the difficulty to substantiate the outcomes through evidence and good quality data.

### Scaling up

191. The 2014 CPE concluded that scaling up was the area that required most attention and provided room for improvement. It called for more efforts in scaling up innovations beyond individual provinces, for wider poverty impact. The factors identified in the 2014 CPE as limiting upscaling remained in place under the 2011 COSOP: projects managed at sub-national level with very defined administrative boundaries; lack of partnership with other development partners; lack of ad hoc M&E systems for innovation and scaling up. GIADP, HARIIP and YARIP did not produce any results on scaling up; in JiMAAPP, scaling up was rated as extremely unsatisfactory by the IOE PCR.V.
192. **Scaling up has not been yet taken to the national level, as anticipated by the COSOP.** The 2016 COSOP included scaling up as a strategic thrust. It foresaw an implementation framework with a national level focal point to facilitate the flow of information, experiences and lessons generated by the IFAD-supported interventions, with the ultimate objective of scaling them up through government programmes.<sup>241</sup>The ongoing projects have a clear scaling up strategy: IPRAD-SN by using a central agency, Y2RDP and H2RDP by partnering with CAAS. However, the non-lending activities have not yet shown to take the successes and failures of the lending projects to the national level.<sup>242</sup>
193. **Scaling up mainly occurred as a result of exchanges between the PMO and other stakeholders at subnational levels.** During the wrap-up meeting the provinces reported examples of practices which they have taken up from IFAD-supported projects. SSADeP explored innovative approaches, such as inclusive targeting and the 4P approach, which had influenced the Hubei Revitalization Strategy. HARIIP introduced sweet potato varieties from the International Potato Centre and developed five new varieties, which were later promoted in other provinces. Finally, Investments into the daylight greenhouses for anti-seasonal vegetables in IPRAD-SN have led to follow-up investments by the local government in Ningxia.<sup>243</sup>
194. **Practices from recent projects have started to receive wider recognition.** Lessons from the 4P model in Shaanxi (SPRAD-SS) were selected as international good practice in poverty reduction.<sup>244</sup>The Water Conservancy Construction implemented under QL-MAPRP in Qinghai province was awarded the "Global Best Poverty Reduction Cases" and included in the South-South cooperation knowledge sharing website. Recognition of good practices can be a first step to scaling up, but this has yet to be demonstrated.
195. **Overall scaling up.** Scaling up has not been effective in the closed projects, in spite of being a core objective. Completed projects have provided a few examples of practices that were taken up by the provinces. Some practices from recent projects also received wider recognition, indicating opportunities for scaling up. Concrete evidence that national government has actually scaled up practices from

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<sup>241</sup> Refer to Figure 2 in 2016 COSOP.

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<sup>242</sup> The 2021 CRR did not report achievements in this respect.

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<sup>243</sup> For example, in Yanglang Village, Yuanzhou District, from 2019 to 2020, IFAD project loan funded in the construction of 29 daylight greenhouses, after seeing the results, the local government increased government investment to build 11 new greenhouses, forming a modern, high-efficiency, water-saving facility agricultural industrial park of nearly 40,000 square metres, initially forming a "seedling - planting - cold chain --simple packaging---sales" as one of the economic industry chains.

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<sup>244</sup> In November 2022, the project was selected for the "Global Best Poverty Reduction Cases (Third Call)" jointly sponsored by 7 institutions, including IPRCC, China Internet News Centre, the World Bank, FAO, WFP, IFAD and ADB.

IFAD-supported projects beyond the provinces has been missing. Scaling up is rated **moderately unsatisfactory (3)**.

196. **Overall sustainability.** The sustainability of benefits from closed project is not well documented. To ensure sustainability, projects have invested into community capacities and have put into place arrangements for operation and maintenance. The sustainability of project benefits in marginal areas is more uncertain, given the lower access to quality training and capacity building. Overall, sustainability is **rated moderately satisfactory (4)**.

### Overall country strategy achievement

197. The 2016 COSOP responded to the 2014 CPE by laying out a more ambitious and comprehensive agenda for lending and non-lending activities. The COSOP benefited from extensive consultation and analysis; it lacked, however, specificity in a number of important aspects, which later limited its usefulness for guiding and tracking the achievements of results. In the COSOP RMF key indicators were missing on agricultural development and sustainable land management; they were added in the revised RMF at COSOP results review (2021). The RMF also did not include indicators for tracking the results from non-lending activities. The targeting strategy was broad and left room for interpretation in following time.
198. The portfolio was broadly effectively in its contribution to the first COSOP objective, to “increase smallholders’ capacity and opportunities to access markets”. The COSOP had better achievements with regard to productivity enhancement and cooperative development. Achievements were mixed on agribusiness development. No achievements were recorded for inclusive finance. The programme was only moderately effective in relation to the COSOP’s second strategic objective, “to strengthen environmental sustainability and climate resilience”. The programme had some achievements with regard to crop diversification and sustainable land management. But overall IFAD has missed the opportunity to align with China’s new environmental agenda, through dedicated climate smart agriculture activities or a stronger link between value chain development in poor areas and climate change adaptation.
199. Whilst the number of non-lending activities has increased, their contribution to COSOP objectives was not reported. They were conducted in a pragmatic manner, responding to emerging opportunities and requests. This approach was appropriate in the context, but has somewhat limited their effectiveness. Knowledge management was not systematic enough to feed into policy engagement. Partnerships with national and international actors were not strategic enough to enhance innovation and scaling-up.

**Table 11**  
**CSPE ratings**

| Evaluation Criteria           | Rating |
|-------------------------------|--------|
| ○ <b>Relevance</b>            | 5      |
| ○ <b>Coherence</b>            | 4      |
| ○ Knowledge management        | 4      |
| ○ Partnership development     | 4      |
| ○ Policy engagement           | 4      |
| ○ <b>Effectiveness</b>        | 4      |
| ○ Innovation                  | 4      |
| ○ <b>Efficiency</b>           | 4      |
| ○ <b>Rural poverty impact</b> | 4      |

|   |             |
|---|-------------|
| ○ <b>Sustainability</b>                                     | 4           |
| ○ Natural resource management and climate change adaptation | 4           |
| ○ Scaling up  | 3           |
| <hr/>   |             |
| ○ <b>Gender equality and women's empowerment</b>            | 4           |
| <b>OVERALL ACHIEVEMENT</b>                                  | <b>4.00</b> |
| <hr/>   |             |
| Partner performance   |             |
| ○ <b>IFAD performance</b>                                   | 4           |
| ○ <b>Government performance</b>                             | 4           |
| <hr/>   |             |

**Key points**

- The 2016 COSOP had sharpened focus on the rural poor in value chains. Project investments in rural infrastructure remained. After 2021, the programme was broadly aligned with the national rural revitalization agenda, while its content remained what had been defined in 2016.
- Project designs were often finalised without sufficient involvement of smallholders and other local stakeholders; adjusting the strategy of individual projects to the rapid pace of institutional and technical transformation undergoing in the agricultural sector was a recurrent challenge.
- Since 2015, there has been a declining trend in grant approval in China. The majority of grants implemented over thematic domains under 2016 COSOP SO1; their contribution to SO2 was negligible.
- The 2016 COSOP set an ambitious agenda for non-lending activities. ICO's attention on knowledge management, policy engagement and partnership building were very relevant; however, the allocation of human and financial resources has not met these ambitions. The outcomes of coordination and harmonisation with development partners remain superficial.
- The COSOPs had stated high ambitions to promote innovations. IFAD-supported projects introduced new elements mainly in agricultural production, rural development approaches, and tools for project management. However, difficulties to simultaneously absorb several new elements, and an unrealistic timeframe in their introduction was reported.
- Performance of project management has deteriorated since 2015 and only started to improve again in 2020, after the two 4P pilot projects were concluded. Slow start-ups affected project progress and overall efficiency, but projects have made gradual improvements by learning by doing and exchanging experiences among projects.
- The impact from IFAD-supported projects was more effective when infrastructure improvements were combined with technical assistance and marketing support; impact from non-lending activities was not visible.
- The gender strategy effectively evolved from gender mainstreaming to gender transformation. Women's decision-making role in value chains became visible in recent projects. Women's access to, and control over assets is an aspect that mostly remained outside the scope of the IFAD programme.
- Support to cooperatives played a significant role in ensuring socio-economic sustainability. However, financial and human resources dedicated to ENRM have been generally low; positive environmental outcomes were achieved mainly through the dissemination of appropriate technology packages and enhanced attention to efficient water use.
- Scaling up has not been effective in the closed projects, in spite of being a core objective. Lending and non-lending activities have yet to be seen as contributing to effective policy influencing and catalysing of scaling-up.

## Performance and partners

### IFAD

200. **IFAD's project designs have improved under the 2016 COSOP.** They considered lessons from both previous projects and the 2014 CPE recommendations. In particular, the designs had greater focus on resilience, through the infrastructure component, and smallholders' capacity and market access, through support to cooperatives. Some of the design weaknesses under 2011 COSOP could have been better addressed through stronger strategic and technical inputs from IFAD and closer cooperation with government partners. Ambitious designs with lengthy and complex design reports often overwhelmed PMOs and made it difficult for them to coordinate and supervise the projects. For example, SSADeP project design was very ambitious; project staff had difficulties to understand the innovative value chain elements in the beginning. The YARIP PCR identified design flaws such as the insufficient assessment of capacities required to implement the innovative project elements and the underestimation of unit costs. Similarly, the GIADP encountered design issues, including inadequate assessment of institutional capacity in value chain development and cooperative support, and a lack of guidance on cooperative support. Greater involvement of government and implementing agencies at all levels during the design phase could have prevented these flaws.
201. Resources for supervision and implementation support (SIS) missions were insufficient to cover the breadth of expertise required. For the closed projects supervision often did not include specialists for M&E, procurement, and project management. The 2019 Audit of ICO and supervision noted that supervision did not sufficiently report on issues with project procurement and contract management practices and did not follow up on them either.<sup>245</sup> Following the audit, supervision missions included consultants in financial management, procurement, M&E and project management. Performance of project management improved accordingly (see efficiency section). However, supervision budgets were inadequate to cover the full range of expertise required, in particular technical specialists for important project components in infrastructure<sup>246</sup>, rural agribusiness and farmer cooperatives (see figure 26 in Annex VII).
202. **IFAD missions would have required more time in the field to adequately engage and cover the individual projects.** Insufficient time in the field and insufficient technical guidance were issues frequently brought up by the PMOs during the CSPE. Supervision and implementation support missions were not sufficient to address the need for technical guidance, in particular in relation to IFAD specific requirements, such as M&E, or new concepts, such as inclusive value chains. The review of supervision reports shows that IFAD had spent on average two and half days including traveling time visiting a single county in previous projects, which seems low given the geographic spread of project sites.<sup>247</sup> Supervisions included extensive discussions with multiple stakeholders, including beneficiaries, extension agents, cooperatives, CPMOs and implementation agencies. For on-going projects, supervisions conducted more frequent visits to project counties, the time spent in the field was reduced to one and half days per county including traveling time.<sup>248</sup>

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<sup>245</sup> Audit of the IFAD Country Office and supervision of the country programme – China, 2019, p.3.

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<sup>246</sup> The project component of infrastructure was mainly financed by the government; however, infrastructure-related consultants were neither hired by the government nor IFAD for the supervision missions.

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<sup>247</sup> DAPRP, GIADP, HARIIP, and SSADeP supervision reports

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<sup>248</sup> IPRAD-SN, SPRAD-SS Supervision reports



203. **At times, IFAD’s response to important strategic or implementation issues was inadequate.** For example, IFAD could have facilitated SSADeP earlier when there were difficulties with PMO’s understanding of the project concept due to the overly ambitious design. This would have involved building capacity and providing ongoing support. For HARIIP, several weaknesses in project implementation went unnoticed, and IFAD’s strategic support on gender and targeting was limited regardless of the need for such support.<sup>249</sup> More timely and adequate technical support would have been required at an earlier stage and more project modifications would have been carried out before midterm.
204. **In the follow up to the 2019 Audit IFAD has taken measures to enhance fiduciary management.** The 2019 Audit of ICO and supervision highlighted the need for IFAD to strengthen attention to financial management and procurement.<sup>250</sup> IFAD supported project capacity on fiduciary aspects through training and capacity-building workshops. Close communications between the country office and the government (PMOs, CPMOs) were useful in following up on withdrawal applications, no-objections requests, and implementation-related issues reported by the project. IFAD’s handling of requests for no-objections and withdrawal applications was prompt with several innovative financial management approaches.
205. In 2016, IFAD rolled out the IFAD Client Portal (ICP) in China as an interactive platform to increase institutional efficiency and manage financial and operational matters transparently. The ICP enables project partners to: (i) access real-time financing information on country portfolios as well as operational and financial information related to projects; (ii) submit withdrawal applications directly and obtain electronic approvals required both from concerned ministries and IFAD; (iii) manage banking instructions electronically; and (iv) create and download relevant reports.<sup>251</sup> YARIP was the piloting project for paperless WA submission benefitted from the ICP.<sup>252</sup> In addition, to regulate the withdrawal applications submitted through Ministry of Finance, IFAD introduced the interim financial reports (IFR) facility with a well-defined template and procedure incorporated in the Financial Management Dashboard. SPRAD-SS<sup>253</sup> first adopted IFR facility and the rest of IFAD projects followed up with the same approach in early 2022.<sup>254</sup>
206. **Overall IFAD performance.** During the first part of the review period, there were shortcomings in IFAD performance with regard to project design and fiduciary oversight. IFAD has taken efforts to overcome these issues in the ongoing projects. Design quality has improved in the recent projects. Financial management was also enhanced over the period. IFAD’s engagement with implementing partners at local level could have been stronger. Project partners consulted during the CSPE clearly articulated the need for more hands-on guidance and presence in the field. Project designs were perceived as complex and at times would have required more timely adjustments. Resources for supervision were clearly insufficient to adequately monitor and guide such a large and dispersed portfolio. The CSPE rates IFAD performance as **moderately satisfactory (4)**.

## Government

207. **Government has shown strong commitment and ownership.** The government’s financial contribution has been significant, accounting for an average

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<sup>249</sup> HARIIP PPE.

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<sup>250</sup> Audit of the IFAD Country Office and supervision of the country programme – China, 2019, p.3.

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<sup>251</sup> Correspondence between ICO and FMD, 2017.

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<sup>252</sup> YARIP MTR, 2016, para.58.

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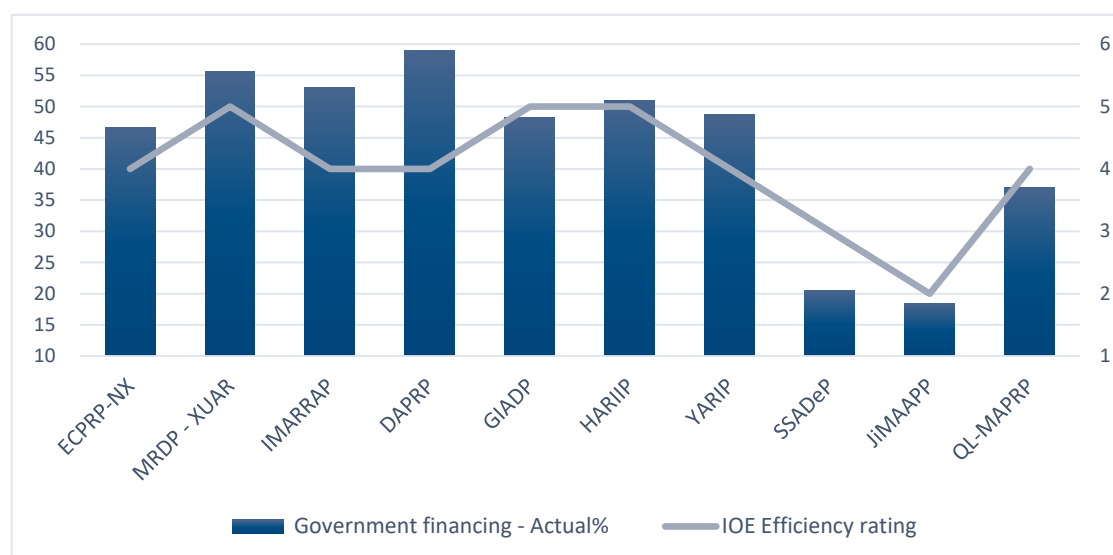
<sup>253</sup> SPRAD-SS Letter to the Borrower. 2018.

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<sup>254</sup> ICO correspondence, 2022. [https://fmdb.ifad.org/projects/2000001184?stradi\\_tabs\[\]=documents-tab](https://fmdb.ifad.org/projects/2000001184?stradi_tabs[]=documents-tab)

of 44 per cent of total project financing across three COSOPs, which is much higher than government contributions of IFAD projects on average (23 per cent of total approval project financing). Domestic co-financing further increased during the 2016 COSOP. The strong government commitment indicated by the high government co-financing percentage further contributed to the performance of project efficiency (see figure 4).<sup>255</sup>In addition, the projects used IFAD disbursement *Procedure III – Reimbursement* as the main approach for withdrawal of financing, meaning that the government pre-financed the project activities from its own funds.<sup>256</sup>It guaranteed a flexible provision of financial resources,<sup>257</sup>but somehow delayed the submission of withdrawal applications of IFAD loans thus compromised the disbursement rate of the project (see Efficiency section).

**Figure 4**  
Percentage of government financing (%)



Source. PCRVs, PPEs.

208. **Counterpart funds.** Generally, the government's counterpart funds by provinces were sufficiently disbursed in a timely manner (DARDP, YARIP, HARIIP, H2RDP, QL-MAPRP, IPRAD-SN). On the other hand, where counties and prefectures were responsible for the counterpart contributions, they were not always fully disbursed (YARIP, JiMAAPP). According to CSPE interviews, BOFs at the county level often had limited capacity to provide timely or sufficient counterpart funds to the PMOs; this compromised the project implementation progress (YARIP). In some cases, counterpart funding was provided in the form of infrastructure projects (H2RDP, Y2RDP). This modality rendered a good alignment between IFAD infrastructure component and local infrastructure development need. However, the initial matching process had been challenging due to different sets of standards on infrastructure and thus delayed the project progress (Y2RDP). Lastly, the low percentage of counterpart funds of SSADeP and JiMAAPP indicated low government commitment, further compromising the overall project efficiency.<sup>258</sup>

<sup>255</sup> Negative scenarios were registered in SSADeP and JiMAAPP, see counterpart funds.

<sup>256</sup> China CSPE interviews. IFAD. 2017. Loan disbursement handbook for IFAD directly supervised projects, p.20.

<sup>257</sup> According to CSPE interviews and ICO comment, the PMOs barely reported the issue of lack of financial resources thanks to the government pre-financing modality. The China stakeholder survey also revealed quite disagreement on the statement of: low budget for programme management had a negative effect on institutional arrangements and programme implementation.

<sup>258</sup> For JiMAAPP, a mechanism to integrate the project investments into the local economic development plans was lacking. These factors resulted in delays in the provision of counterpart funds, and an overall markedly reduced contribution from the government: only 56 per cent of the initially planned government counterpart funds were provided.

209. **Project coordination and implementation.** There was a consistent institutional mechanism for project coordination and implementation throughout the portfolio. The decentralized structure effectively involved all levels of stakeholders and entrenched to local communities without losing ownership of the programs. At the provincial level, PPMOs supervised the programme implementation, coordinated programme activities and arranged counterpart funds. At the county level, CPMOs performed daily programme management and implementation. At village level, village implementation groups (VIGs) were instrumental in the targeted villages to mobilize household participation, ensure appropriate targeting, and monitor programme activities. On top of that, programme leading groups (PLGs) were established at both provincial and county levels to act as steering committees. The PLGs hold regular or ad-hoc meetings to coordinate and solve problems with PMOs in terms of budget, technical support and policy guidance.<sup>259</sup> Among all IFAD projects, HARIIP achieved a highly satisfactory government performance given the high performance of the provincial PMO and its good coordination within the counties.
210. **M&E system and responsibilities.** Project management units demonstrated strong commitment to developing a relatively comprehensive M&E system. In the 2021 Client Survey, government identified M&E as an area they would like IFAD to support more in the future (see figure 28 in Annex VII). There was also a consistent interest to address the recurrent shortcomings in M&E systems, such as lack of digitalisation (ECPRP), inconsistencies in the categorization of beneficiary households (DAPRP) and lack of alignment between government targets and RIMS, observed in the older projects. Some shortcoming in M&E continued to exist, such as misleading M&E indicators, and poor data quality (e.g. YARIP, QL-MAPRP). Capacity issues delayed the development of effective MIS in SSADeP and QL-MAPRP which delayed the whole M&E function.<sup>260</sup> To fill in the technical gaps, some PPMOs recruited service providers to conduct household surveys and progress reporting (JiMAAPP, YARIP, H2RDP, IPRAD-SN, and Y2RDP). The ICO affirms that the collaborative efforts and close coordination between the M&E service providers and PMOs to date have resulted in adequate quality assurance for the submitted data and analytical findings. However, a systematic institutional mechanism for data verification and quality assurance was still missing.<sup>261</sup>

In addition, according to SSADeP audit reports, the counterpart funds were not sufficiently allocated which caused the slow project implementation progress.

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<sup>259</sup> Project Design Completion Reports and CSPE interviews.

<sup>260</sup> For QL- MAPRP, some M&E weaknesses were identified by PCRV, including: The M&E system organization, data collection and accuracy.

<sup>261</sup> CSPE interviews.

**Box 3****Enhanced focus on M&E in recent projects**

- In HARIIP, a total of 11 full-time staff were in charge of M&E in the PMOs from province to county levels with effective M&E process and tools, the project showed a strong M&E performance and won the Best Project M&E Award awarded by the Ministry of Finance and IFAD in 2017 (HARIIP PPE).
- SPRAD-SS devolved the production of logical framework indicators to the consultants undertaking household surveys. The project also customized MIS system by integrating the functions of business plan management, financial management, project management, designated account management, M&E. The data sharing among the modules and standardized management greatly improved the project management (CSPE interviews).

211. **Fiduciary management.** Over time, the fiduciary risk has been decreasing to the low level in on-going projects. The national audit system provided strong oversight on the projects' financial statements and internal control. However, the performance of financial management has not coincided with the drop of fiduciary risk, mainly caused by weak financial capacity (see figure 29 in Annex VII). In particular, incomplete accounting documentation, weak cash management, unregulated accounting practices in the CPMOs were issues repeatedly noted in the audit reports.<sup>262</sup> Some projects (JiMAAPP, SSADeP) did not comply with relevant loan covenants during the early phases of the projects.<sup>263</sup> In addition, several ineligible expenses occurred due to a lack of CPMO supervision on the acceptance of services (QL-MAPRP, YARIP). Lastly, on some occasions, BOFs at the county level delayed to mobilize the provincial counterpart funds and IFAD loan, this also caused the slow progress of implementation (GIADP, YARIP, SSADeP).
212. **Procurement.** There were some issues with procurement in terms of unregulated tendering and bidding procedures in some CPMOs (HARIIP, YARIP, QL-MAPRP), however, project procurement followed the national procurement system and was thus found overall compliant with IFAD and government procedures and guidelines.<sup>264</sup> Initial difficulties faced by SSADeP regarding lack of adaptation to national procurement regulations were recognized and overcome by close cooperation among the project management and the government.<sup>265</sup>
213. **Overall government performance.** Government has been a collaborative partner, showing strong commitment and ownership. The coordination structure effectively involved all levels of stakeholders. The decentralised implementation set-up ensured local ownership and brought projects closer to beneficiary needs. Implementation performance was variable though. While overall counterpart funding was good, there were some cases where counties did not provide the required funding. Weak financial capacity in county PMOs and unregulated accounting and procurement practices have affected the quality of fiduciary management. The rating for government performance is rated as **moderately satisfactory (4)**.

<sup>262</sup> HARIIP Audit reports, FY 2013,2014,2015,2017; YARIP Audit reports, FY 2013, 2014, 2015, 2017; SSADeP Audit reports. FY 2015, 2017; JiMAAPP Audit reports FY 2016, 2017, 2018, 2019; QL-MAPRP Audit reports, FY 2016, 2017, 2018, 2020.

<sup>263</sup> In SSADeP, the project's intention to support agribusiness development and innovative financial approaches was in contradiction with the loan covenant.

<sup>264</sup> YARIP PCR, para 94.

<sup>265</sup> SSADeP PCR.

**Key points**

- IFAD responded to government's requests with regard to project performance and implementation issues. However, gaps in technical support and in some cases late adjustments of project designs were weak areas.
- The Government has shown strong commitment and ownership with significant financial contributions to the portfolio. The decentralized coordination structure effectively involved all levels of stakeholders and entrenched to local communities without losing ownership of the programs.
- Weak financial capacity in county PMOs and unregulated accounting and procurement practices have affected the quality of fiduciary management.

## Conclusions and recommendations

### Conclusions

214. **The China programme has been placed in a context undergoing rapid changes over the review period.** Since IFAD adopted its COSOP in 2016 the country has seen a dramatic reduction of absolute poverty. In 2021 government has adopted the 14<sup>th</sup> Five-Year Plan, which defined “rural revitalisation” as the new development agenda. China’s rise as middle-income country has been accompanied by its growing interest and role in international development. IFAD was able to respond to this changing situation to some extent, but at times it was overtaken by the pace of change in the country.
215. **IFAD has been able to meet government’s interest in inclusive rural value chains and climate-smart infrastructure.** The strong alignment of government and IFAD priorities has clearly benefitted the country programme performance and had positive impacts on IFAD’s target groups. IFAD’s experience in cooperative development was a good match for the implementation of the revised farmer cooperative law (2018) and has yielded positive results in recent projects. The new generation of agribusiness projects promoting inclusive value chains through conditional grants and contracting procedures has seen promising results; this is also an area where there will be a demand and role for IFAD in the future. IFAD’s focus on small-scale rural infrastructure has been able to attract substantial government co-funding to marginal areas and clearly benefitted farmers’ access to markets.
216. **The introduction of value-chain approaches has led to project performance plateauing.** The legacy projects followed an integrated poverty reduction approach, which was well tested and supported by government, with overall good performance as well as poverty and gender impact. Under the 2011 COSOP IFAD began introducing value-chain approaches. The 4P concept was innovative, but had insufficient government ownership at the time when it was introduced, which was the main factor explaining the low performance of the 4P pilots. Identifying effective support mechanisms for cooperatives and appropriate contractual arrangements to link them with agro-businesses was a learning challenge and it took time to evolve; this seems to have come to fruition in the most recent generation of projects only. At times partners were overwhelmed by the complexity of new approaches that would take them away from what had been well tested in the past.
217. **Introducing new concepts and approaches required strong support for learning and capacity building, which was not always given.** The technical guidance and capacity building needed to introduce innovative concepts and approaches at local levels often exceeded what IFAD on its own could provide and required new strategic partnerships, which were not always present. The partnership with UN Women and the ACWF was instrumental to enhance the role of businesswomen in value chains. On the other hand, there was a lack of technical support to local partners on inclusive value chain approaches and cooperative development, which has hampered implementation. Finally, the absence of strategic partnerships for the promotion of climate change adaptation and mitigation has been a cause for the limited progress in this area.
218. **The country programme would have required more strategic partnerships for scaling up experiences.** IFAD seeks to provide platforms for innovation and knowledge in the rural development agenda – in order to support the Rural Revitalisation Strategy internally and China’s global engagement, externally. However, institutional partnerships and mechanisms for scaling up are not yet effective. Only one (out of four) ongoing projects has a national partner involved (MARA). There were no partnerships with key national players in areas that are of



strategic concern for IFAD, such as the LGOP/NRRA, MEE or the NDRC, which would have opened up opportunities for policy engagement and scaling up. At provincial level, the main partner was with the agricultural department (DOA/DARA). Partnerships with the provincial Poverty Alleviation and Development Office (PADO) and the Development and Reform Commission (DOC) seem to have provided better prospects for scaling up in some provinces. Research institutions did not have a role in scaling up of good practices from loan projects.

219. **The current COSOP, issued in 2016, was not adequate to guide the China-IFAD partnership over a period that extended up to 2024.** The 2016 COSOP recognised the changing context and the need for IFAD to adapt. It laid the foundation for the evolving partnerships between IFAD by placing greater focus on non-lending and SSTC. It correctly identified areas where IFAD could add value at that time. Because of the rapidly changing context, some of these areas, such as inclusive rural finance, were no longer relevant and were dropped. Other areas, such as carbon-neutral rural economy, became even more important in the government agenda. The 2021 COSOP review and the following COSOP extension were not sufficient to reposition the programme and guide the evolving partnership.
220. **IFAD would need to integrate SSTC in its corporate approaches and goals of the evolving partnership with China.** Given the country's growing interest and role in international development, IFAD could have defined the strategic dimension of SSTC for the evolving partnership with China more clearly. The role of the KM/SSTC centre in Beijing was limited to providing ad-hoc support to the IFAD SSTC facility in Rome. It lacked a clear strategic vision on how to position IFAD in China for the longer-term SSTC. For example, the country programme could have contributed to the existing SSTC platform, the rural solutions portal, identifying, vetting and promoting practices and actors from inclusive value chains in China. In view of stakeholders consulted during the CSPE, SSTC will be a key ingredient for the current and future partnership with China. However, as of now IFAD still has to develop a shared understanding of how to use SSTC more effectively for the evolving partnerships with UMICs.
221. **As an UMIC country, China now qualifies as recipient of loans allocated under BRAM.** <sup>266</sup>Currently there are two loans in the pipeline, which would bring China to the maximum amount of USD 168 million, the equivalent of five per cent of IFAD's PoLG. While BRAM loans are attractive to government, there are certain risks involved, which would need to be managed within the current practice of on-lending to counties. Firstly, there is an inherent foreign currency exchange risk, due to the fact that the loans are foreign currency denominated. With the depreciation of the RMB, these loans have become more expensive than originally envisaged. In addition, there is an interest rate risk and with USD Libor and SOFR rising rapidly, funding that appeared initially favourable, may now turn out to be more expensive than planned. Chinese counties may not be in a position to estimate and manage rising interest rates and they may not be aware of the dynamics of short term rates. The shorter grace period of BRAM loans (3 years) could be another disincentive for implementation. <sup>267</sup>
222. During the review period, there were critical moments in the strategy, where IFAD at corporate level could have shown stronger leadership and vision on where it wants to go with the partnership with China. Critical moments included the establishment of the SSTC/KM centre in 2018, the results review of the 2016 COSOP in 2021 and the conceptualisation of the IFAD12 pipeline projects funded

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<sup>266</sup> The amount a country can receive under BRAM is capped according to IFAD's internal limits and the cap currently stands at USD 168.75 million, which is the equivalent of 5 per cent of PoLG, i.e. US\$3,375 million. UMICs can access between 11 and 20% of the IFAD 12 PoLG. The two BRAM loans that are currently in the pipeline for China are therefore at the maximum amount of USD 168 million.

<sup>267</sup> Information obtained through consultations with IFAD financial specialists.

under the BRAM modality. The CSPE results show that the programme has not yet put into place the capacities and partnerships to take the engagement with China to a new level. The remaining COSOP period will have to be used to address some of the gaps and to position IFAD better for support of innovation, knowledge sharing and SSTC in areas where there is a strong demand and mutual interest. China will remain an important partner; IFAD will have to redefine and step up its role for a longer-term partnership at eye-level.

## Recommendations

223. The evaluation led to five recommendations that are intended to guide the evolving IFAD-China partnership for the period leading up to the 2025 COSOP and beyond. The IFAD12 pipeline projects provide an opportunity to further test innovative approaches and review lessons in areas of strategic concern in preparation for the 2025. The 2025 COSOP would need to clarify the strategic positioning of IFAD in China and the modalities used to support the partnership between China and IFAD. The new COSOP (2025), would clarify the strategic focus of the country programme with regard to (i) generating effective and sustainable rural institutions; (ii) promoting global public goods; and (iii) fostering innovations.<sup>268</sup>
224. Recommendation 1: In preparation for the 2025 COSOP, position the China programme for strategic support to inclusive agricultural value chains through different modalities. Targeted support to cooperatives, with focus on inclusive mechanisms and sustainable capacity building, will continue to be an important approach; lessons would need to be captured systematically. A systematic review of the experiences with institutional arrangements, including 4Ps, for value chain support would enable IFAD to identify to position itself more clearly for the support of inclusive and sustainable value chains, within and beyond China. A light review of financial support mechanisms for cooperatives and entrepreneurial households might also be useful.
- (e) Under the ongoing COSOP, the design of pipeline projects should incorporate the identified **good institutional practices** on for further testing and scaling up
  - (f) In preparation for the 2025 COSOP, IFAD should define the concept of inclusive and sustainable value chains in line with IFAD's global strategy and principles.
  - (g) IFAD should define the term "smallholders" in the context of the developing rural economy in China. At the same time, it should be consistent in safeguarding **smallholders' land tenure** applying SECAP in land contracts.
  - (h) The 2025 COSOP should propose a platform to learn both directions (from and to China) on inclusive and sustainable value chains in marginal rural areas. **Nurturing initiatives from the business sector as partner**, and attracting value chain operators whose business model calls for inclusivity and equitable benefits.
225. Recommendation 2: The 2025 COSOP should clearly establish IFAD's comparative advantage on environmental sustainability and climate change resilience, with focus on marginal areas and smallholders. Sustainable natural resource management and climate change mitigation and adaptation will be important themes, within the context of rural development in China and as global public good beyond China. The 2025 COSOP should clearly state the focus on ENRM and climate change in loans targeted at marginal areas and smallholders. The 2025 COSOP should align its support to climate-smart agriculture with national policies. The 2025 COSOP should

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<sup>268</sup> IFAD 2021 Graduation Policy (EB 2021/133/R.5)

also clarify how IFAD would enhance its positioning in those areas through knowledge sharing and SSTC.

- (a) IFAD should define its upcoming geographical strategy, taking into account the views of its national partners. This will lead to define **climate related opportunities and constraints** of the targeted areas.
  - (b) IFAD should also seek to contribute to **China's carbon neutral economy goal** in the rural **areas**, engaging not only in adaptation but also in mitigation and carbon sinks – with a view to generating lessons learnt of relevance to IFAD's work in other countries. When value chain operators engage in carbon markets, IFAD should promote arrangements that put rural communities at the centre.
  - (c) Upcoming operations should increase focus on **preserving and enhancing agrobiodiversity and sustainable land management at landscape level**. IFAD may need to mobilise technical assistance to extension services and cooperatives at local level, to increase awareness and knowledge on adaptation, limit the use of chemicals, and support integrated animal farming and agroforestry.
  - (d) **IFAD** must ensure that there is sufficient **technical capacity in the country** to support the design and implementation of climate change adaptation pilots. This may include capacities mobilised through partnerships with government agencies and research organisations in China.
226. Recommendation 3: The 2025 COSOP should clarify how IFAD will expand the pool of strategic partners, with focus on innovation, scaling up and knowledge sharing in clearly identified thematic areas. IFAD should consolidate links with national partners – including private partners– and provide spaces for piloting and scaling up solutions in cooperation with strategic partners. Going forward, existing platforms, such as the Rural Solutions Portal, should be used more effectively to promote good institutional practices and inclusive and sustainable businesses. In preparation for the upcoming COSOP:
- (a) Expand partnerships with **think-tanks and research organisations** with a proven expertise on inclusive value chains and climate change adaptation. The aim of these collaborations would be to identify and package good practices from IFAD-supported interventions for knowledge sharing, policy engagement and SSTC.
  - (b) **Establish a direct relationship with NRRA, through preparation of a MoU proposing joint activities for the upcoming COSOP**. The aim of the MoU would be to sharpen the definition of IFAD's core target groups (smallholders, vulnerable households) and define targeting strategies for the upcoming COSOP. Further activities might include support to establishing a database for monitoring the outreach to IFAD's target groups at country programme level.
  - (c) **Enter into a direct relationship with the NDRC at national level**. The involvement of NDRC would get IFAD in a better position to engage with government institutions on policy issues and development practices more effectively. The NDRC is the most influential ministry for national-level development policy-making, planning and coordination with line ministries in implementing policies and development plans. IFAD should prepare a MoU with the NDRC for joint activities under the upcoming COSOP. Activities might include the joint evaluation of innovative pilot projects and uptake of good practices at provincial and national levels.
  - (d) **Review the relevance and usability of the existing Rural Solutions Portal**; Consolidate and update vetted Chinese solutions in core thematic

areas (related to Global Public Goods) continuously; Chinese participants in this portal should comply with inclusive and sustainable business criteria.

- (e) **Further shape and facilitate multi-lateral dialogues on good practices** in areas of strategic focus, to the benefit of GoC and other partners involved.
227. **Recommendation 4: In preparation for the 2025 COSOP, develop a strategic vision and clarify the role for IFAD in China on SSTC.** IFAD urgently needs to seek clarity on the objectives of SSTC in China and ensure that the required capacities are in place and effective. IFAD should establish SSTC as a vision for the long-term partnership with China.
- (a) **IFAD should take advantage of the remaining two years of the current COSOP period to effectively reposition SSTC as a key modality for IFAD's engagement and partnership with China in the future, based on a clearer understanding of goals and means to achieve these.** In preparation for the upcoming COSOP, prepare a background paper for SSTC as a modality for long-term partnerships with UMICs and conduct an in-depth mapping of available solutions in current country portfolio; Include SSTC in the upcoming COSOP; clarify areas thematic focus, main strategic partners, available resources and institutional arrangements.
- (b) **The 2025 COSOP should clarify the added value of SSTC to develop the longer-term partnership between China and IFAD, for instance around global public goods.** The COSOP would identify at least five core thematic areas (related to Global Public Goods) which can structure the SSTC engagement in the medium term. It would identify specific added values and comparative advantages of IFAD in comparison with other UN agencies supporting China's SSTC. The COSOP would position IFAD, as a partner for China's SSTC both at the country level and internationally. The COSOP would lay out a process for continuously reviewing SSTC experiences and sharing lessons learned with other UMICs.
- (c) **The 2025 COSOP RMF should include SSTC as a consolidated pillar for the partnership between China and IFAD, contributing to mutual benefits in terms of knowledge, resources and partnerships.** The COSOP RMF would provide clarity of measurable mutual benefits for IFAD and China partnering around SSTC. It would clarify IFAD's contributions to China's role as a provider of specialized solutions for Global Public Goods and the post-2030 frameworks of international development goals. It would consolidate IFAD's approach to SSTC as a modality to manage partnerships with UMICs in the short and medium term; and position IFAD in relevant international platforms.
228. **Recommendation 5: Facilitate China's access to BRAM resources.** From a technical perspective, there are good reasons for keeping China as a borrower. As a borrower of BRAM resources, China does not crowd-out any other lesser rated borrowing country and, through its own credit rating, helps IFAD in its portfolio management. China provides a positive uplift of the credit rating of IFAD's BRAM portfolio because of its A+ rating by Standard & Poors and A1 by Moody's. China's loans therefore help IFAD maintain the targeted BRAM portfolio rating of BB, which in turn is an important factor for IFAD's own credit rating, which is AA+ by both Standard & Poor's and Fitch.
- (a) **For the upcoming two loans under the BRAM modality, IFAD would need to support government in managing the risks.** First of all, IFAD would need to ensure that borrowers are fully aware of the risks of ordinary and BRAM loans. In China the ultimate borrowers are the counties in the provinces. These counties bear the FX risk inherent in the fact that the loans are foreign currency denominated. Equally, the counties bear the interest

rate risk and with USD Libor and SOFR rising rapidly, funding that appeared initially cheap, may now turn out to be more expensive than planned. Chinese counties may not be in a position to estimate, let alone manage rising interest rates and may not be aware of the dynamics of short-term rates.

- (b) **To avoid adverse effects on project results, IFAD may therefore consider adjusting the grace period to match the project implementation period. BRAM loans have a shorter grace period than previous loans in China.** Whilst previously China had negotiated a five-year grace period on its IFAD loans, BRAM loans foresee a grace period of three years, which is significantly shorter than the normal implementation period. IFAD may also consider a shorter maturity or a prepayment if China's GDP exceeds certain thresholds for the two loans that are currently in the pipeline.
- (c) **Once fixed rate loans are introduced by IFAD, IFAD should offer upcoming loans to China not only in floating rate USD but also on a fixed rate basis.** China seeks to continue to be a borrowing member in other DFIs. It is to be expected that China will aim to borrow the maximum amounts allocated according to the BRAM limits. Fixed rate loans would reduce the above risks for the borrowers.

## Annexes

### Definition of the IFAD evaluation criteria

#### Relevance

The extent to which: (i) the objectives of the /country strategy and programme are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies; (ii) the design of the strategy, the targeting strategies adopted are consistent with the objectives; and (iii) the adaptation of the strategy to address changes in the context.

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#### Coherence

This comprises two notions (internal and external coherence). Internal coherence is the synergy of the intervention/country strategy with other IFAD-supported interventions in a country, sector or institution. The external coherence is the consistency of the intervention/strategy with other actors' interventions in the same context.

Non-lending activities are specific domains to assess coherence.

#### Knowledge management

The extent to which the IFAD-funded country programme is capturing, creating, distilling, sharing and using knowledge.

#### Partnership building

The extent to which IFAD is building timely, effective and sustainable partnerships with government institutions, private sector, organizations representing marginalized groups and other development partners to cooperate, avoid duplication of efforts and leverage the scaling up of recognized good practices and innovations in support of small-holder agriculture.

#### Policy engagement

The extent to which IFAD and its country-level stakeholders engage to support dialogue on policy priorities or the design, implementation and assessment of formal institutions, policies and programmes that shape the economic opportunities for large numbers of rural people to move out of poverty.

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#### Effectiveness

The extent to which the country strategy achieved, or is expected to achieve, its objectives and its results at the time of the evaluation, including any differential results across groups.

A specific sub-domain of effectiveness relates to:

Innovation, the extent to which interventions brought a solution (practice, approach/method, process, product, or rule) that is novel, with respect to the specific context, time frame and stakeholders (intended users of the solution), with the purpose of improving performance and/or addressing challenge(s) in relation to rural poverty reduction.

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#### Efficiency

The extent to which the intervention or strategy delivers, or is likely to deliver, results in an economic and timely way.

"Economic" is the conversion of inputs (funds, expertise, natural resources, time, etc.) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. "Timely" delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).

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### Impact

The extent to which the country strategy has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.

The criterion includes the following domains:

- changes in incomes, assets and productive capacities
- changes in social / human capital
- changes in household food security and nutrition
- changes in institution and policies

The analysis of impact will seek to determine whether changes have been transformational, generating changes that can lead societies onto fundamentally different development pathways (e.g., due to the size or distributional effects of changes to poor and marginalized groups)

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### Sustainability and scaling up

The extent to which the net benefits of the intervention or strategy continue and are scaled-up (or are likely to continue and scaled-up) by government authorities, donor organizations, the private sector and others agencies.

Note: This entails an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. It involves analyses of resilience, risks and potential trade-offs.

Specific domain of sustainability:

Environment and natural resources management and climate change adaptation. The extent to which the development interventions/strategy contribute to enhancing the environmental sustainability and resilience to climate change in small-scale agriculture.

Scaling-up\* takes place when: (i) other bi- and multi laterals partners, private sector, etc.) adopted and generalized the solution tested / implemented by IFAD; (ii) other stakeholders invested resources to bring the solution at scale; and (iii) the government applies a policy framework to generalize the solution tested / implemented by IFAD (from practice to a policy).

\*Note that scaling up does not only relate to innovations.

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### Gender equality and women's empowerment

The extent to which IFAD interventions have contributed to better gender equality and women's empowerment. For example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods; and in promoting sustainable, inclusive and far-reaching changes in social norms, attitudes, behaviours and beliefs underpinning gender inequality.

Evaluations will assess to what extent interventions and strategies have been gender transformational, relative to the context, by: (i) addressing root causes of gender inequality and discrimination; (ii) acting upon gender roles, norms and power relations; (iii) promoting broader processes of social change (beyond the immediate intervention).

Evaluators will consider differential impacts by gender and the way they interact with other forms of discrimination (such as age, race, ethnicity, social status and disability), also known as gender intersectionality.

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### Partner performance (assessed separately for IFAD and the Government)

The extent to which IFAD and the Government (including central and local authorities and executing agencies) ensured good design, smooth implementation and the achievement of results and impact and the sustainability of the country programme.

The adequacy of the Borrower's assumption of ownership and responsibility during all project phases, including government, implementing agency, and project company performance in ensuring quality preparation and implementation, compliance with covenants and agreements, establishing the basis for sustainability, and fostering participation by the project's stakeholders.

## Evaluation framework

| Evaluation criteria (project and country levels)  | Overarching questions  | Specific questions   |
|---|--|--|
| <p><b>Relevance</b></p> <p>The extent to which: (i) the objectives of the intervention/strategy are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies; (ii) the design of the interventions/strategy and the targeting strategies adopted are consistent with the objectives; and (iii) the intervention/strategy has been (re-) adapted to address changes in the context.</p> | <ul style="list-style-type: none"> <li>Were country strategy and programme relevant and aligned to:               <ul style="list-style-type: none"> <li>(a) the country's development needs and challenges as well as national policies and strategies; (b) IFAD's relevant strategies and priorities; (c) the needs of the beneficiaries and tailored to very poor or marginalized people or special categories.</li> </ul> </li> <li>Was the design realistic in terms of the context and implementation capacity?</li> <li>To what extent were project designs re-adapted to the changing context in China?</li> </ul> | <ul style="list-style-type: none"> <li>To what extent did strategies and projects incorporate the lessons from closed operations?</li> <li>Were the resources adequate to support SO2 (NRM and CCA), including human resources from IFAD, project participating institutions and staff, and counterpart funding, and how did this influence progress towards this objective?</li> <li>Did the adoption (and further elaboration) of the modular approach lead to enhanced alignment with government systems under the 2016 COSOP, and did this enable enhanced government ownership? (relevance)</li> <li>How did targeting approaches evolve in recent projects, and were they implemented as planned? (relevance)</li> <li>How did the programme address its thematic focus area 2A - Sustainable land management at household and landscape level? (relevance)</li> <li>How relevant and inclusive were the approaches to rural finance and value chains?<br/>Relevance of financial instruments used.</li> </ul> |
| <p><b>Coherence</b></p> <p>This comprises the notions of external and internal coherence. External coherence is the consistency of the strategy with other actors' interventions in the same context. Internal coherence looks at the internal logic of the strategy, including the complementarity of lending and non-lending objectives within the country programme. Non-lending activities are specific domains for assessing coherence.</p>  | <ul style="list-style-type: none"> <li>What is the overall coherence of the country programme?</li> <li>To what extent were there synergies and interlinkages between different elements of the country strategy/programme (i.e. projects, non-lending activities)?</li> <li>How coherent are the non-lending activities with the lending portfolio and the overall objectives of the programme and strategy? To what extent were NL activities embedded into the loan portfolio (e.g. through the use of loan component grants for policy engagement)?</li> </ul>   | <ul style="list-style-type: none"> <li>What is the external coherence of the country programme? What was the extent of coordination and harmonization between IFAD-supported initiatives and those supported by other actors working in the same space, including public-funded initiatives?</li> <li>Did the country programme allocate sufficient (human and financial) resources for non-lending activities?</li> <li>Did IFAD's programme, both lending and non-lending, take into account the 2016-2020 UNDAF, and conversely did preparation of the 2021-2025 UNSDCF take into account IFAD's comparative advantage among UN agencies in China – for both activities within China and SSTC?</li> <li>Are knowledge management activities outlined in the COSOP and/or is there a specific country strategy for KM? Did the</li> </ul>  |

### Knowledge management

The extent to which the IFAD-funded country programme is capturing, creating, distilling, sharing and using knowledge.

- To what extent lessons and knowledge produced through IFAD-funded initiatives (both loans and grants) have been gathered, documented and disseminated?
  - To what extent have lessons from success and failure been learned in IFAD's operations (e.g. exchange between different programmes and/or provinces)? And how have these informed new strategies and project design?
- programmes / projects produce any KM / communication strategy?

- To what extent data and information generated through M&E systems feed into lessons learning and KM for IFAD and its partners (both at local and central levels)?
- What is the Government's approach to managing knowledge on innovations and results from IFAD projects, through which channels? How does this relate to the knowledge produced through IFAD grants?
- What is the Government's role and ownership in studies and research funded through IFAD grants? Which implications does this for the scaling up of results, both in China and through SSTC?
- Is there any evidence that lessons and knowledge produced through IFAD lending and non-lending activities have been effectively used to support scaling up successful initiatives?

### Partnership building

The extent to which IFAD is building timely, effective and sustainable partnerships with government institutions, international organizations, the private sector, organizations representing marginalized groups and other development partners to cooperate, avoid duplication of efforts and leverage the scaling up of recognized good practices and innovations in support of smallholder agriculture and rural development.

- How did IFAD position itself and its work in partnership with the government and with other development partners working on similar themes (e.g. climate change adaptation, value chains, rural finance)? How did IFAD position itself and its work in partnership with the private sector, civil society organisations and research institutions?
- Did IFAD loans and grants contribute to create and support partnerships at different levels (local, national, international) with the aim to leverage resources, broker knowledge and avoid duplication of efforts in supporting Chinese smallholder agriculture? Were these partnerships effective?
- What are the specific features of IFAD SSTC activities in China, and how do they add value to the Government of China's SSC initiatives?

### Policy engagement

The extent to which IFAD and its country-level stakeholders engage, and the progress made, to support dialogue on policy priorities or the design, implementation and assessment of formal institutions, policies and programmes that shape the economic opportunities for large numbers of rural people to move out of poverty.

- Did IFAD contribute to policy discussion drawing from its programme experience?
- Is there any explicit strategy on policy engagement in COSOP?
- Did IFAD use in-house knowledge and resources to engage and inform government on relevant policies and regulatory frameworks? How effective was policy engagement around the key issues identified in the COSOP?

### Effectiveness

The extent to which the intervention/country strategy achieved, or is expected to achieve, its objectives and results at the time of the evaluation, including any differential results across groups.

- How were the grants expected to support policy engagement? And were the expected outputs/contributions from grants realistic?
- Was there a consistent follow-up in documenting and supervising results on IFAD policy engagement in areas of strategic focus?
- How effectively did IFAD use its national partnership, e.g. with MoF, MoA and LGOP, for scaling up good practices and innovations, beyond the targeted counties and provinces?
- Were the objectives of the intervention/country strategy and programme achieved or likely to be achieved at the time of the evaluation?
- Did the intervention / strategy achieve other objectives or did it have any unexpected consequence?

- To what extent did the IFAD programme make progress towards the COSOP's second objective of strengthening environmental sustainability and climate resilience starting from 2016, taking into account both projects and IFAD's non-lending activities covering China?
- How did M&E systems take into account the modular approach to report on actual project coverage and results? (effectiveness)
- How effective was the involvement with national agencies such as LGOP and ACWF in strengthening poverty and gender focus? (effectiveness)
- How reliable is the information on poverty and gender outreach from project M&E systems? (effectiveness)
- To what extent were poor women and men able to access technical and financial services? (effectiveness)
- What was the progress towards the COSOP's second objective of strengthening environmental sustainability and climate resilience starting from 2016? Were the (financial and human) resources adequate? (effectiveness)

### Innovation

The extent to which interventions yielded a solution (practice, approach/method, process, product or rule) that is novel with respect to the specific context, timeframe and stakeholders (intended users of the solution), with the purpose of improving performance and/or addressing challenge(s) related to rural poverty reduction.

- To what extent did the programme or project support / promote innovations, aligned with stakeholders' needs or challenges they faced?
- Were the innovations inclusive and accessible to a diversity of farmers (in terms of gender, youths, diversity of socio-economic groups)?
- What were the main reason for the lower ratings on innovation in closed projects? Did the performance improve under 2016?
- To what extent did IFAD introduce innovations in the lending portfolio?
- To what extent was the focus on climate resilient infrastructure in recent projects relevant to local needs, allowed sufficient space for innovation? (innovation)
- To what extent did the "modular approach" for delivering interventions allow or constrain innovation, and why?

### Efficiency

**The extent to which the intervention or strategy delivers, or is likely to deliver, results in an economic and timely manner.**

- How did benefits and costs relate (e.g., net present value, internal rate of return)? How did this compare with similar interventions (if the comparison is plausible)?
- Were government unit costs used (and adequate) for the construction of infrastructure?
- Were programme management cost ratios justifiable in terms of intervention objectives, results achieved, considering contextual aspects and unforeseeable events?
- Was the time-frame of the intervention development and implementation justifiable, taking into account the results achieved, the specific context and unforeseeable events?
- To what extent were programme interventions respond to the diversity of challenges faced by beneficiaries? Were the innovations inclusive and accessible to a diversity of farmers (in terms of gender, youths, and diversity of socio-economic groups)?
- To what extent did IFAD loans and grants support partnerships at different levels (local, national, international) for innovation and scaling up? Were these partnerships effective in strengthening poverty and gender focus?
- How efficiently has IFAD's support been delivered over the evaluation period?
- How were the project's financial or technical inputs (e.g. loans, grants, technical assistance) deployed and in what ways?
- How efficiently the projects were processed and implemented, including: (i) project preparation and processing timeliness; (ii) implementation/ disbursement timeliness (including project management performance); (iii) cost-benefit, economic internal rate of return; and (iv) project management cost.
- How were IFAD's human resources deployed and organised to supervise and support the lending portfolio and engage in non-lending activities?
- What were the main factors affecting efficiency in the closed projects? What are the trends in the ongoing project?
- What were the reasons for the lower performance on efficiency in closed operations?
- How did the project management units perform? Was there a difference in the performance of different PMU/PCU types?

### Impact

**The extent to which the country strategy has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.**

**Whether changes have been transformational, generating changes that can shift societies onto fundamentally different development pathways (e.g. due to the size or distributional effects of changes to poor and marginalized groups).**

- Has the country strategy and programme had the anticipated impact on the target group and institutions and policies? Why?
- To which extent changes were observed and can be attributed to the programme:
  - changes in incomes and assets
  - changes in social / human capital
  - changes in household food security and nutrition
  - changes in institution and policies
- Have very poor / marginalized groups, special categories, benefited in a sizable manner?
- What evidence is there that project beneficiaries achieved higher productivity and incomes? How do the changes in productivity and impact compare to the overall changes (at county/provincial) level?
- How effective were the value-chain linkages promoted by the projects in ensuring sustainable market access as well as inclusive benefits for smallholder farmers, poor people, women and men?
- How equitable and inclusive were the contractual farming arrangements promoted by the projects?

### Sustainability

The extent to which the net benefits of the intervention or strategy continue and are scaled up (or are likely to continue and be scaled up) by government authorities, donor organizations, the private sector and other agencies.

Whether systems and institutions have the (financial, economic, social, environmental, and institutional) capacities to sustain net benefits over time.

### Scaling up

Whether (i) bi- and multilateral partners, the private sector and communities adopt and disseminate the solution tested by IFAD; (ii) other stakeholders invest resources to bring the solution at scale; and (iii) the government applies a policy framework to generalize the solution tested by IFAD (from practice to policy).

### Environment and natural resources management and climate change adaptation.

The extent to which the development interventions/strategy contribute to the enhancement of environmental sustainability and resilience to climate change in small-scale agriculture.

### Gender equality and women's empowerment.

The extent to which IFAD interventions have contributed to gender equality and women's empowerment.

Whether interventions and strategies have been gender-transformational, relative to the context, by (i) addressing root causes of gender inequality and discrimination; (ii) acting upon gender roles, norms and power relations; (iii) promoting broader processes of social change (beyond the immediate intervention).

To what extent gender intersected with other forms of inequality (such as age, ethnicity, and income status).

### Performance of partners

- To what extent did the intervention/country strategy and programme contribute to long-term institutional, environmental and social sustainability?
- What is the level of engagement, participation and ownership of the government, local communities, grass-roots organizations and the rural poor? In particular, did the government ensure Budget allocations to cover operation and maintenance?
- Did the programme include an exit strategy?
- What are the reasons for low sustainability in some of the projects?
- To what extent were successful innovations from IFAD operations scaled up beyond individual provinces?
- Did the 2016 COSOP achieve its objective of mainstreaming environmental and climate resilience in all operations?
- Improving farming practices? Minimizing the damage and introducing offsets to counter the damage caused by those farming practices?
- Supporting agricultural productivity that is sustainable and integrated into ecosystems?
- Channelling climate and environmental finance through the intervention/country programme to smallholder farmers, helping them to reduce poverty, enhance biodiversity, increase yields and lower greenhouse gas emissions?
- Building climate resilience by managing competing land-use systems while reducing poverty, enhancing biodiversity, increasing yields and lowering greenhouse gas emissions?
- What were the project's achievements in terms of promoting gender equality and women's empowerment?
- Changes in: (i) women's access to resources, income sources, assets (including land) and services; (ii) women's influence in decision-making within the household and community; (iii) workload distribution (including domestic chores); (iv) women's health, skills, nutrition?
- Were there notable changes in social norms, attitudes, behaviours and beliefs and policies / laws relate to gender equality?
- Did the partners pay adequate attention to design quality (adhering to quality standards when available)
- Did the programme (and projects) have gender strategies? How transformational were these strategies?
- Were sufficient (human and financial) resources allocated to implement these strategies?
- Were indicators (and data) to monitor targets and results disaggregated (according to gender, age and ethnic groups)?



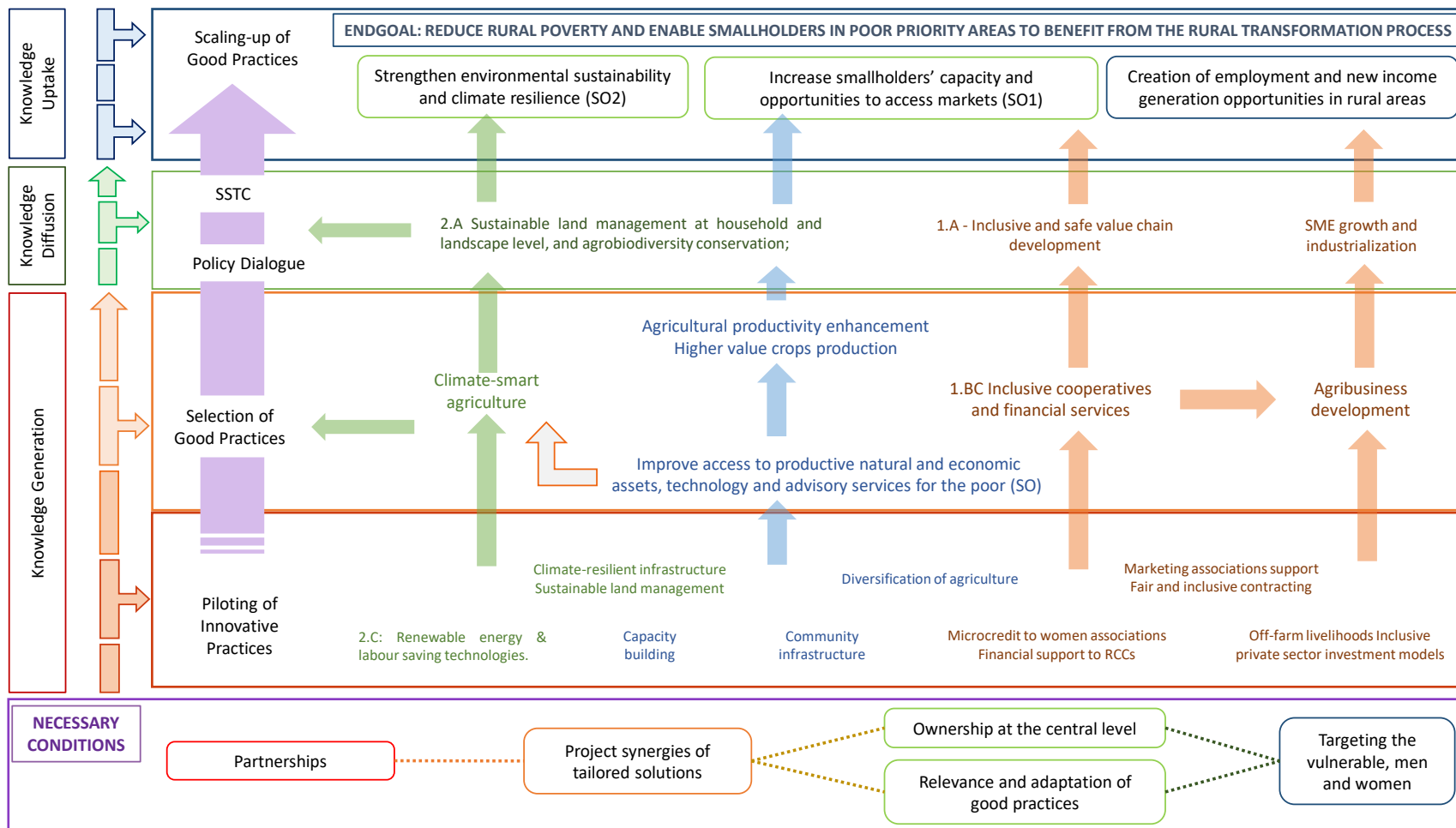
**The extent to which IFAD and the Government (including central and local authorities and executing agencies) supported design, implementation and the achievement of results and impact and the sustainability of the intervention/country programme.**

**The adequacy of the borrower's assumption of ownership and responsibility during all project phases, including government and implementing agency, for ensuring quality preparation and implementation, compliance with covenants and agreements, support for a conducive policy environment and for laying the foundation for sustainability and fostering participation by the project's stakeholders.**

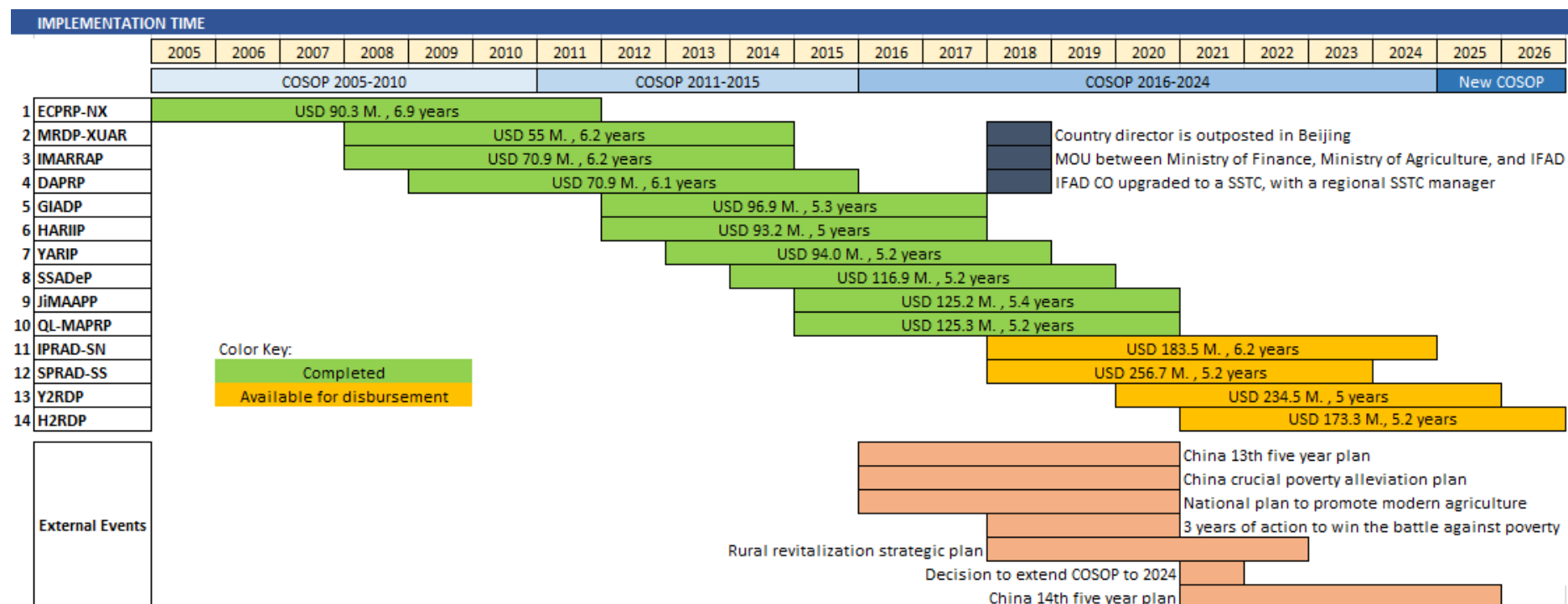
and realistic expectations on targets and implementation capacity?

- Did they provide oversight and strategic guidance at design and during implementation? Did Government comply with the loan covenants and fulfil its fiduciary responsibilities according to the loan agreement? To what extent did the Government demonstrate its ownership of the programme (and in the relevant sectors)?
- Were management decisions supported by a functioning M&E system?

### Theory of Change



### Timeline and list of IFAD-supported operations in China



## IFAD – financed projects in China

| Project name | Total project cost<br>US\$ million | IFAD approved financing<br>US\$ million | Co-financing<br>US\$ million | Counterpart<br>US\$ million | Beneficiary contribution<br>US\$ million | Other Domestic<br>US\$ million | Executive Board approval | Loan effectiveness | Project completion date | Cooperating institution | Project status             |
|--------------|------------------------------------|---|------------------------------|-----------------------------|--|--------------------------------|--------------------------|--------------------|-------------------------|-------------------------|----------------------------|
| ECPR-NX      | 90.3                               | 29.0                                    | 7.3                          | 47.0                        | 7.1                                      |                                | 11/12/2002               | 11/02/2005         | 31/12/2011              | IFAD                    | Financial Closure          |
| MRDP - XUAR  | 55.0                               | 25.1                                    |                              | 29.9                        |  |                                | 14/12/2006               | 29/04/2008         | 30/06/2014              | IFAD                    | Financial Closure          |
| IMARRAP      | 70.9                               | 30.0                                    |                              | 31.1                        |  | 5.7                            | 13/12/2007               | 12/11/2008         | 31/12/2014              | IFAD                    | Financial Closure          |
| DAPRP        | 70.9                               | 31.9                                    |                              | 39.0                        |  |                                | 17/12/2008               | 19/08/2009         | 30/09/2015              | IFAD                    | Financial Closure          |
| GIADP        | 96.9                               | 47.0                                    |                              | 46.4                        | 3.4                                      |                                | 13/12/2011               | 20/01/2012         | 31/03/2017              | IFAD                    | Financial Closure          |
| HARIIP       | 93.2                               | 47.0                                    |                              | 45.6                        | 0.6                                      |                                | 21/09/2012               | 21/09/2012         | 30/09/2017              | IFAD                    | Financial Closure          |
| YARIP        | 94.0                               | 46.7                                    |                              | 47.3                        |  |                                | 13/12/2012               | 31/01/2013         | 31/03/2018              | IFAD                    | Financial Closure          |
| SSADeP       | 116.9                              | 43.8                                    |                              | 20.1                        | 24.5                                     | 28.5                           | 11/12/2013               | 30/01/2014         | 31/03/2019              | IFAD                    | Financial Closure          |
| JiMAAPP      | 125.2                              | 43.8                                    |                              | 40.8                        | 12.1                                     | 28.5                           | 16/12/2014               | 15/02/2015         | 30/06/2020              | IFAD                    | Financial Closure          |
| QL-MAPRP     | 125.3                              | 43.5                                    | 7.15                         | 42.5                        | 13.6                                     | 18.6                           | 15/09/2015               | 04/11/2015         | 31/12/2020              | IFAD                    | Financial Closure          |
| IPRAD-SN     | 183.5                              | 80.0                                    |                              | 80.5                        | 23.0                                     |                                | 13/09/2018               | 30/10/2018         | 31/12/2024              | IFAD                    | Available for Disbursement |
| SPRAD-SS     | 256.7                              | 72.0                                    |                              | 79.5                        | 3.3                                      | 101.9                          | 17/04/2018               | 07/05/2018         | 30/06/2023              | IFAD                    | Available for Disbursement |
| Y2RDP        | 234.5                              | 74.8                                    |                              | 115.3                       | 2.8                                      | 41.7                           | 08/05/2020               | 15/06/2020         | 30/06/2025              | IFAD                    | Available for Disbursement |
| H2RDP        | 173.3                              | 60.2                                    | 0.3                          | 90.9                        | 0.5                                      | 21.5                           | 30/12/2020               | 05/02/2021         | 31/03/2026              | IFAD                    | Available for Disbursement |

## Loan projects and main areas of intervention

| Project Name   | Implementation period          | Project cost (US\$ m) | Project overview   |
|--|--------------------------------|-----------------------|--|
| Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi (ECPRP) | 2005-2011<br>(Legacy projects) | 90.3                  | Field crops (extension unit improvement, extension agents and farmers training); land improvement (irrigation and drainage); livestock; forestry; rural financial service; health and education; women group development; domestic water supply facilities.                                      |
| Xinjiang Uygur Autonomous Region Modular Rural Development Programme (MRDP-XUAR)       | 2008-2014<br>(Legacy projects) | 55.0                  | Modular Approach, with 17 modules under 4 components, including: community based natural resources management, agricultural development (extension and technical advisory services, organic farming and marketing), women group development, rural financial service.                            |
| Inner Mongolia Autonomous Region Rural Advancement Programme (IMARRAP)                 | 2008-2014<br>(Legacy projects) | 70.9                  | Modular Approach, with 11 modules under 4 components, including: production and market access (technical extension, greenhouses, livestock support, potato net-sheds, marketing association, agro-food safety), rural financial service and women group development.                             |
| Dabieshan Area Poverty Reduction Programme (DAPRP)                                     | 2009-2015<br>(Legacy projects) | 70.9                  | Modular Approach, with 10 modules under 3 components, including: technical extension, economic crop, livestock and fishery production, farmer cooperatives, women group development and capacity building.   |
| Guangxi Integrated Agricultural Development Project (GIADP)                            | 2012-2017<br>(2011 COSOP)      | 96.9                  | Modular Approach, with 10 modules under 3 components, including: community infrastructure development, production and marketing support (technical extension, farmer cooperatives, soil and water conservations, niche product development), village sanitation and biogas digesters.            |
| Hunan Agricultural and Rural Infrastructure Improvement Project (HARIIP)               | 2012-2017<br>(2011 COSOP)      | 93.2                  | Combination of modular modality and activity-based intervention, including: community infrastructure development, production and marketing support (technical extension, cash crops, orchard - poultry integrated agriculture, agro-forestry, root and tuber crops), farmer cooperatives support |
| Yunnan Agricultural and Rural Improvement Project (YARIP)                              | 2013-2018<br>(2011 COSOP)      | 94.0                  | Combination of modular modality and activity-based intervention, including: community infrastructure development, productivity enhancement, value chain development and Improved market access, women group, cooperatives support.   |
| Shiyan Smallholder Agribusiness Development Project (SSADeP)                           | 2014-2019<br>(2011 COSOP)      | 116.9                 | Value chain strengthening, cooperatives support, pro-poor public-private partnership, commercial farming enhancement (rural infrastructure, farmer training, technical extension).   |
| Jiangxi Mountainous Areas Agribusiness Promotion Project (JiMAAPPP)                    | 2015-2020<br>(2011 COSOP)      | 125.2                 | Agribusiness promotion and development (cooperatives support, rural financial service), capacity building, infrastructure development.   |
| Qinghai Liupan Mountain Area Poverty Reduction Project (QL-MAPRP)                      | 2015-2020<br>(2011 COSOP)      | 125.3                 | Climate resilient infrastructure (irrigation and WUAs), cash crops and tree crops development, livestock, cooperatives support, off-farm IGA training.   |

|  |                           |       |  |
|--|---------------------------|-------|--|
| Innovative Poverty Reduction Programme: Specialised Agribusiness Development in Sichuan and Ningxia (IPRAD-SN) | 2018-2024<br>(2016 COSOP) | 183.5 | ONGOING (32.13% disbursement)<br>Infrastructure development, land rehabilitation and improvement, ecological forest, Integrated Pest Management & Disease Control, irrigation and greenhouses, capacity building for cooperatives.                         |
| Sustaining Poverty Reduction through Agribusiness Development in South Shaanxi (SPRAD-SS)                      | 2018-2023<br>(2016 COSOP) | 256.7 | ONGOING (57.24% disbursement)<br>Pro-poor business plan development and financing, climate smart infrastructure development, public services and regulations for pro-poor agribusiness development.  |
| Yunnan Rural Revitalization Demonstration Project (Y2RDP)  | 2020-2025<br>(2016 COSOP) | 234.5 | ONGOING (11.36% disbursement)<br>Improving <i>chanye fupin</i> models, young/women entrepreneurs support, access to finance, climate-proofed public infrastructure development.  |
| Hunan Rural Revitalization Demonstration Project (H2RDP)   | 2021-2026<br>(2016 COSOP) | 173.3 | ONGOING (9.97% disbursement)<br>Demonstrating inclusive rural business development models (New Economic Entities and young/women entrepreneurs support), gender sensitive professional farmer training, climate-proofed public infrastructure development. |



## Project Stakeholder mapping

|                      | Project Name  | Lead agency  | Implementing partners   |
|----------------------|---|--|---|
| ECPRP                | Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi                      | Provincial Department of Agriculture   | Bureaus of Agriculture, Livestock, Forestry, Water Resources, Health, Education, and the Women's Federation and Rural Credit Cooperatives (RCCs).   |
| MRDP - XUAR          | Xinjiang Uygur Autonomous Region Modular Rural Development Programme                                | Xinjiang Poverty Alleviation and Development Office  | Women Federations (WFs), Rural Credit Cooperatives (RCCs), Bureaus of Agriculture (BOAs), Bureaus of Livestock (BOLs), Bureaus of Forestry and Bureaus of Science and Technology.   |
| IMARRAP              | Inner Mongolia Autonomous Region Rural Advancement Programme  | Ulanqab Bureau of Agriculture  | County and Prefecture Women Federations, Bureau of Agriculture (BOAs) and Rural Credit Cooperatives (RCCs)  |
| DAPRP                | Dabieshan Area Poverty Reduction Programme (DAPRP)  | Development and Reform Commission of the Xinyang Prefecture  | County and Prefecture Women Federations (WFs), Bureau of Sciences and Technologies, Bureau of Forests, Bureau of Agriculture, Bureau of Livestock, Bureau of Aquaculture, County Poverty Alleviation Offices                                  |
| GIADP                | Guangxi Integrated Agricultural Development Project   | Guangxi Administration Centre of Foreign-Funded Project for Agriculture, Guangxi Department of Agriculture | Women Federations, Guangxi Departments of Agriculture, Transportation, and Water Resources  |
| HARIIP               | Hunan Agricultural and Rural Infrastructure Improvement Project                                     | Hunan Provincial Department of Agriculture   | County technical agencies, including County Poverty Alleviation Offices and WF  |
| YARIP                | Yunnan Agricultural and Rural Improvement Project   | Yunnan Provincial Department of Agriculture  | County Agriculture, Poverty Reduction and Agriculture Offices   |
| SSADeP               | Shiyan Smallholder Agribusiness Development Project   | Hubei Provincial Department of Agriculture   | County-level Agriculture Bureau, Finance Bureau, Economic Management Bureau, Poverty Alleviation Office, the Women's Federation, Transport Bureau   |
| JiMAAPP              | Jiangxi Mountainous Areas Agribusiness Promotion Project  | Jiangxi Provincial Department of Agriculture   | County Bureaus of Agriculture   |
| Qinghai Liupan MAPRP | Qinghai Liupan Mountain Area Poverty Reduction Project  | Qinghai Poverty Alleviation and Development Office   | County technical bureaux such as CBOWR, CFB, CBAL, CWF and CDPF were responsible for implementing respective components. WF and PDF provided differentiated support to their respective target groups of women and people of reduced ability. |
| IPRAD-SN             | Innovative Poverty Reduction Programme: Specialised Agribusiness Development in Sichuan and Ningxia | MARA and Provincial Departments of Agriculture   | Relevant technical bureaux in the counties  |
| SPRAD-SS             | Sustaining Poverty Reduction through Agribusiness Development in South Shaanxi                      | Shaanxi Provincial Development and Reform Commission   | Relevant technical bureaux in the counties  |
| Y2RDP                | Yunnan Rural Revitalization Demonstration Project   | Yunnan Provincial Department of Agriculture  | Relevant technical bureaux in the counties  |
| H2RDP                | Hunan Rural Revitalization Demonstration Project  | Hunan Provincial Department of Agriculture   | UN Women China Office, Relevant technical bureaux in the counties will be mobilized to support implementation of the related project activities.  |

## IFAD-funded grants in China (Full list of grants that include China as a target country)

| Project/grant name  | Window     | Grant amount US\$ | IFAD amount US\$ | Grant recipient | Approval date | Completion date | Themes  | Focus country  |
|---|------------|-------------------|------------------|-----------------|---------------|-----------------|---|--|
| Enhancing Knowledge Management & Cooperation and Policy Dialogue  | CSPC       | 600,000           | 300,000          | IPRCC           | 15/12/2015    | 30/09/2019      | Knowledge Management / SSTC   | China  |
| Finalization of the future Legal Guide on Agricultural Land Investment Contracts  | MICRO-GRNT | 70,000            | 70,000           | INBAR           | 18/09/2019    | 30/09/2020      | Policy support (production of a legal guide on contract farming)                  | Brazil, China, Italy, Kenya  |
| An IEM Approach to the Conservation of Biodiversity in Dryland Ecosystems   | GEF        | 4,503,992         | 4,503,992        | CCAP            | 06/05/2009    | 15/04/2016      | Biodiversity - Environmental issues - Natural resource management                 | China  |
| Project to Document Global Best Practices on Sustainable Models of Pro-Poor Rural Financial Services in Developing Countries (RuFBeP) | GLRG       | 1,523,000         | 1,100,000        | APRACA          | 09/12/2013    | 31/12/2018      | Development of pro-poor rural financial services – knowledge management           | China - Indonesia - India - Philippines - Thailand   |
| Asia Training Programme for Scaling Up Pro-Poor Value Chains  | GLRG       | 2,238,000         | 2,000,000        | HELVETAS / AFA  | 28/11/2015    | 31/03/2021      | Farmer/producer organisations - Knowledge management - Policy dialogue - Training | Bangladesh, China, India, Vietnam, Myanmar, Lao People's Democratic Rep  |
| ASEAN Farmers Organisations Support Programme and Medium-term Cooperation Programme phase II - AFOSP/MTCP                             | GLRG       | 6,910,000         | 6,910,000        | MARA            | 14/10/2015    | 11/12/2020      | Farmer/producer organisations - Knowledge management - Policy dialogue            | Cambodia, China, Fiji, Indonesia, Laos PDR, Malaysia, Myanmar, Papua New Guinea, Philippines, Thailand, Tonga, Viet Nam  |
| Managing risks for rural development: promoting microinsurance innovations  | GLRG       | 2,255,000         | 1,800,000        | MIC             | 14/12/2016    | 30/06/2022      | Finance / Non-traditional / Access to insurance for poor rural people             | China - Ethiopia - Georgia - Kenya - Moldova, Republic of - Sudan  |
| Sustainable Rural Development for the Asian Pacific Farmers' Programme  | GLRG       | 33,700,000        | 3,000,000        | MARA            | 22/12/2018    | 30/09/2024      | Farmer/producer organisations - Good governance - Training - Value/supply chain   | Afghanistan, Bangladesh, Bhutan, Cambodia, China, Cook Islands, Fiji, India, Indonesia, Kyrgyzstan, Laos PDR, Malaysia, Maldives, Mongolia, Myanmar, Nepal, New Caledonia, Pakistan, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Tajikistan, |

|  |                      |            |           |                            |            |            |   |  |
|--|----------------------|------------|-----------|----------------------------|------------|------------|---|--|
|  |                      |            |           |                            |            |            |   | Thailand, Timor-Leste, Tonga, Vanuatu, Viet Nam  |
| Medium Term Cooperation Programme with Farmers's Organizations in Asia and the Pacific Region - phase II (MTCP-2)  | GLRG                 | 19,000,000 | 2,000,000 | AFA                        | 7/7/2013   | 30/6/2019  | Farmer/producer organisations - Knowledge management - Policy dialogue                    | Bangladesh - China - Fiji - Indonesia - India - Cambodia - Lao People's Democratic Rep - Sri Lanka - Myanmar - Nepal - Philippines - Solomon Islands - Thailand - Timor-Leste - Tonga - Viet Nam - Vanuatu - Samoa |
| Rural Regional Transformation (RRT): Pathways, Policy Sequencing and Development Outcomes in China, Myanmar and Vietnam (IGSNRR – CAS)   | GLRG (less relevant) | 500,000    | 500,000   | CCAP                       | 14/12/2014 | 31/03/2021 | Policy dialogue   | China, Myanmar, Viet Nam   |
| Harnessing CABFIN knowledge and networks for capacity develop., training in inclusive RF for IFAD's development portfolio  | GLRG (less relevant) | 1,000,000  | 1,000,000 | FAO                        | 11/09/2016 | 03/10/2021 | Finance: non-traditional - Knowledge management   | Benin, China, Ghana, Indonesia, Morocco, Uganda, Zimbabwe  |
| ARISE RPSF (Rural Poor Stimulus Facility)  | GLRG (less relevant) | 2,000,000  | 2,000,000 | UNIDROIT                   | 22/07/2020 | 31/03/2022 | Collaboration with UN country teams, rapid assessment of socioeconomic impact of COVID-19 | Bangladesh, Cambodia, China, Lao People's Democratic Rep, Philippines, Indonesia, Mongolia, Myanmar, Nepal, Pakistan, PNG, Samoa, Sri Lanka, Tonga, Vanuatu, Vietnam   |
| Root and tuber crops research and development programme for food security in APR   | GLRG (less relevant) | 3,450,000  | 1,450,000 | CIP                        | 05/12/2010 | 31/03/2015 | Crops Research for food security, nutrition and income generation                         | China - Indonesia - India - Philippines  |
| Leveraging pro-poor public-private partnerships (5Ps) for rural development (energy services in APR)   | GLRG (less relevant) | 1,350,000  | 1,350,000 | UN ESCAP                   | 05/12/2010 | 31/12/2016 | Access to energy service through PPPs   | Bangladesh - China - Indonesia - Lao People's Democratic Rep - Nepal   |
| Supporting national research capacity and policy development to cope with dwindling water resources and intensifying land use in the transborder Altay-Dzungarian region of Mongolia and China | GLRG (less relevant) | 3,498,000  | 1,485,000 | University of Kassel       | 04/05/2011 | 31/03/2016 | Climate change - Pastoralism - Water management   | China - Mongolia   |
| Programme on improving productivity and resilience for the rural poor through enhanced use of crop varietal diversity in IPPM  | GLRG (less relevant) | 3,090,000  | 1,000,000 | Biodiversity International | 07/04/2012 | 30/06/2015 | N/A   | China - Ecuador - Morocco - Uganda   |

## IFAD-funded grants in China (In-loan grants supporting China portfolio)

| Project name    | Available Disbursement | for Financial Closure | Amount (USD) | Relevant project components                                    |
|-----------------|------------------------|-----------------------|--------------|--|
| <b>IPRAD-SN</b> | 13/09/2018             | 31/12/2024            | 500,000      | Programme management, knowledge management and M&E             |
| <b>HARIIP</b>   | 21/09/2012             | 30/09/2017            | 1,000,000    | Training, TA and knowledge management / Agricultural materials |
| <b>JiMAAP</b>   | 15/02/2015             | 30/12/2020            | 800,000      | Business service development / project management              |
| <b>QL MAPRP</b> | 04/11/2015             | 30/09/2021            | 1,000,000    | Knowledge management, TA and institutional capacity building   |

Source: OBI.

## Achievements of country programme targets

| COSOP objectives  | Pathways                          | Achievements   | Key output indicators  | Output vs target  | Contributing projects |                                  |
|---|-----------------------------------|--|--|---|-----------------------|----------------------------------|
| SO1 - Increase smallholders' capacity and opportunities to access markets | Inclusive value chain development | <b>4Ps and inclusive cooperatives: on track</b>  |  |   |                       | Starting from QL-MAPRP           |
|   |                                   | - Broad outreach to cooperatives   | Number of cooperatives getting access to 4P model support  | 105% (SSADeP)   |                       |                                  |
|   |                                   | - Clear process and improved inclusiveness in new projects   | Number of enterprises getting access to 4P model support   | 105% (SSADeP)   |                       |                                  |
|   |                                   | - Diversity of business models, development of services to smallholders, resulting in improved market access | Number of rural households having business connections with cooperatives/enterprises of 4P model | 157% (SSADeP)   |                       |                                  |
|   |                                   | <b>Inclusive finance: off track</b>  |  |   |                       | IPRAD, SPRAD                     |
|   |                                   | - Grants to households, to cooperatives and enterprises  | Number of guarantee mechanism established  | 0% (SSADeP); 0% (QL-MAPRP); 0% (IPRAD-SN); 0% (SPRAD-SS)  |                       |                                  |
|   |                                   | - Ant Financial scheme dropped   | N/A  |   |                       |                                  |
|   | - Agricultural insurance delayed  | Number of Ag insurance   | 0% (SPRAD-SS)  |   |                       |                                  |
|   | Agribusiness development          | <b>Cooperative and microenterprise growth: partly on track</b>   |  |   |                       | All projects starting from DAPRP |
|   |                                   | - Both new creations and development of existing entities  | Number of cooperatives supported   | 98% (GIADP); 93% (HARIIP); 87% (YARIP); 338% (SSADeP); 60% (JiMAAPP); 143% (QL-MAPRP); 44% (SPRAD-SS) |                       |                                  |
|   |                                   |  | Number of business entities improved market linkage  | 143% (QL-MAPRP)   |                       |                                  |
|   |                                   |  | Number of members supported through cooperatives   | 51% (GIADP); 101% (HARIIP); 240% (SSADeP); 80% (JiMAAPP)  |                       |                                  |
|   |                                   | - Competitive grants introduced, encouraging quality of business plans, access to commercial banks           | Number of BP approved  | 29% (IPRAD-SN); 29% (SPRAD-SS)  |                       |                                  |
|   |                                   | - Delayed capacity building for cooperatives, cooperative facilitators not mentioned as active               | Number of cooperative mgt trained  | 218% (SSADeP); 0% (SPRAD-SS)  |                       |                                  |
|   |                                   | - Delayed engagement with agribusiness operators   | Number of value chains supported   | 42% (YARIP)   |                       |                                  |
|   |                                   | <b>Job creation: partly on track</b>   |  |   |                       | All projects starting from GIADP |
|   |                                   | - Jobs created monitored in on-going projects only   | Number of persons trained in income-generating activities or business management                 | 26% (JiMAAPP); 110% (QL-MAPRP)  |                       |                                  |
| - Net employment gains and wage levels not monitored                      |                                   | N/A  |  |   |                       |                                  |

|  |  |   |  |  |
|--|--|---|--|--|
|  |  | <b>Credit guarantee funds: off track</b>  |  |  |
|  |  | - Activity was dropped or mostly supported existing creditworthy cooperatives and enterprises, with unsuccessful inclusiveness conditionality | Number of guaranteed loans issued  | 0% (SSADeP); 0% (JiMAAPP)                        |
| Number of guarantee mechanism established    | 0% (SSADeP); 0% (QL-MAPRP); 0% (IPRAD-SN); 0% (SPRAD-SS)   |   |  |  |
| Number of guarantee entities participated    | 82% (JiMAAPP)  |   |  |  |
| <b>Agricultural productivity enhancement</b> | <b>Diversification and higher value crops: on track</b>  |   |  | All projects                                     |
|  | - Output targets met for new or increased crop/livestock income generating activities, both main commodities (fruit, protected vegetables, tea and other perennials) and mountain specialties. | Annual crops (vegetables) (number of modules)   | 53% (YARIP)  |  |
|  |  | Perennial crops (number of modules)   | 65% (YARIP)  |  |
|  |  | Herbal medicine (number of modules)   | 50% (YARIP)  |  |
|  |  | Handicrafts and textiles (number of modules)  | 100% (YARIP)   |  |
|  |  | Cash crops (ha)   | 105% (HARIIP); 250% (SSADeP); 275% (QL-MAPRP)  |  |
|  |  | Landrace Livestock (hh)   | 1593% (GIADP); 149% (HARIIP); 105% (YARIP); 365% (SSADeP)  |  |
|  |  | Sericulture production (hh)   | 120% (GIADP); 166% (SSADeP)  |  |
|  |  | Fish (hh)   | 166% (SSADeP)  |  |
|  | <b>Agricultural skills development: on track</b>   |   |  | All projects                                     |
|  | - Broad training and visit programs for rural households   | Farmer training (person)  | 120% (GIADP); 104% (HARIIP); 179% (YARIP); 138% (SSADeP); 66% (JiMAAPP); 190% (QL-MAPRP); 9% (IPRAD-SN)    |  |
|  |  | Technical Extension (number)  | 156% (GIADP); 59% (YARIP); 116% (QL-MAPRP)   |  |
|  |  | Technical extension agents trained (number)   | 191% (GIADP); 187% (HARIIP); 117% (SSADeP); 78% (JiMAAPP)  |  |
|  | - Mostly successful shift from public extension to capacity building through value chain operators   | Number of farmers trained by cooperatives   | 237% (HARIIP); 174% (SSADeP); 70% (JiMAAPP); 11% (QL-MAPRP); 30% (IPRAD-SN)                                |  |
|  | <b>Community infrastructure: on track</b>  |   |  | All projects.<br>Focus in<br>GIADP, QL-<br>MAPRP |
|  | - Most output targets met.<br><br>Synergy effect between village roads, agricultural productivity and value chain development; and between rural water supply and agricultural productivity.   | Village road pavement/construction (km)   | 120% (GIADP) ; 121% (HARIIP) ; 102% (YARIP); 232% (SSADeP); 30% (JiMAAPP); 105% (IPRAD-SN); 49% (SPRAD-SS) |  |
|  |  | Water supply facilities (number/km)   | 184% (GIADP); 124% (HARIIP); 11% (YARIP)   |  |
| Sanitary conditions improvement (village)    |  | 114% (GIADP)  |  |  |
| Training of village sanitation (person)      |  | 92% (GIADP)   |  |  |



|   |                                     |  |  |   |   |  |
|---|-------------------------------------|--|--|---|---|--|
|   |                                     |  | O&M group established (number)                           | 75% (YARIP); 100% (SSADeP); 69% (JiMAAPP); 0% (IPRAD-SN)                      |   |  |
|   |                                     |  | Training of O&M (person)                                 | 22% (GIADP); 96% (HARIIP); 10% (YARIP)  |   |  |
| <b>SO2 - Strengthen environmental sustainability and climate resilience</b> | <b>Climate-smart agriculture</b>    | <b>Integrated land management: on track</b>  |  |   |   |  |
|   |                                     | - Continued erosion control and tree planting in perennial crop establishment  | Economic trees (ha)                                      | 119% (HARIIP); 189% (SSADeP); 66% (QL-MAPRP)                                  | All projects. Focus in IPRAD.   |  |
|   |                                     |  | Land brought under climate-resilient practices (ha)      | 24% (IPRAD-SN)  |   |  |
|   |                                     |  | Integrated Pest Management & Disease Control (ha)        | 70% (IPRAD-SN)  |   |  |
|   |                                     | <b>Resilient crops and varieties: on track</b>   |  |   |   |  |
|   |                                     | - Continued support to climate change adaptation plans, research and extension on tuber crops  | Crop experiment (number)                                 | 181% (GIADP); 73% (HARIIP)  | All projects except JiMAAPP. Tuber crops: focus in SSADeP and HARIIP. |  |
|   |                                     |  | Root and tuber crops (ha)                                | 103% (HARIIP)   |   |  |
|   |                                     |  | Annual crops demo and scaling up (ha)                    | 375% (GIADP); 82% (YARIP)   |   |  |
|   |                                     |  | Perennial crops demo and scaling up (ha)                 | 153% (GIADP);   |   |  |
|   |                                     | <b>Climate resilient infrastructure: partly on track</b>   |  |   |   |  |
|   |                                     | - Continued support to protected agriculture and irrigation, increasing focus on water efficiency and O&M targets for irrigation canals exceeded in dry climates | Irrigation and drainage canals lining/pipelines (km)     | 72% (HARIIP); 99% (YARIP); 15% (IPRAD-SN)                                     | All projects. Focus in QL-MAPRP, IPRAD/Ningxia.                       |  |
|   |                                     |  | Water ponds repairment (number/m <sup>3</sup> )          | 188% (HARIIP); 27% (IPRAD-SN)   |   |  |
|   |                                     |  | Pumping station rehabilitation (number)                  | 83% (YARIP); 50% (IPRAD-SN)   |   |  |
|   |                                     |  | Area of land with improved irrigation conditions (mu)    | 345% (YARIP); 126% (SSADeP); 100% (JiMAAPP); 145% (QL-MAPRP); 178% (IPRAD-SN) |   |  |
|   |                                     |  | Greenhouse (m <sup>2</sup> )                             | 43% (IPRAD-SN)  |   |  |
|   |                                     |  | WUAs (number)  | 95% (YARIP); 122% (SSADeP); 100% (JiMAAPP); 100% (QL-MAPRP)                   |   |  |
|   |                                     | - Delayed start of TA for new resiliency options   | Training of irrigation O&M (person)                      | 56% (HARIIP); 58% (YARIP); 9% (QL-MAPRP)                                      |   |  |
|   |                                     | <b>Climate information services: off track</b>   |  |   |   |  |
|   |                                     | - No physical progress at SPRAD mid-term   | Number of people trained in climate resilient technology | 0% (SPRAD-SS)   | Starting from SPRAD   |  |
|   |                                     | <b>Renewable energy: partly on track</b>   |  |   |   |  |
| - Biogas targets not reached  | Biogas system (number)              | 28% (GIADP); 0% (QL-MAPRP)   | GIADP, QL-MAPRP, YARIP                                   |   |   |  |
| - Overachievement on solar power and ecosystem restoration by YARIP         | Solar-powered lamps (number)        | 256% (YARIP)   |  |   |   |  |
|   | Ecosystem restoration piloting (ha) | 90% (YARIP)  |  |   |   |  |

Source : Project documents (PDR, PCR, PCR, RIMS, LogFrame, AWPB, MTR)

## Country programme outreach

| Project                      | Target at design stage |                |                            |                | Outreach             |                |                            |                | Outreach vs. target % |
|------------------------------|------------------------|----------------|----------------------------|----------------|----------------------|----------------|----------------------------|----------------|-----------------------|
|                              | Direct beneficiaries   | Share of women | Share of ethnic minorities | Share of youth | Direct beneficiaries | Share of women | Share of ethnic minorities | Share of youth |                       |
| ECPRP-NX                     | 466 855                | N/A            | N/A                        | N/A            | 419 661              | 59%            | N/A                        | N/A            | 90%                   |
| MRDP-XUAR                    | 793 000                | N/A            | N/A                        | N/A            | 926 352              | 65%            | 94%                        | N/A            | 117%                  |
| IMARRAP                      | 250 000                | N/A            | N/A                        | N/A            | 407 988              | 54%            | N/A                        | N/A            | 163%                  |
| DAPRP                        | 154 000                | N/A            | N/A                        | N/A            | 141 849              | 59%            | N/A                        | N/A            | 92%                   |
| GIADP                        | 370 957                | 50%            | N/A                        | N/A            | 245 126              | 53%            | N/A                        | N/A            | 66%                   |
| HARIIP                       | 760 000                | N/A            | N/A                        | N/A            | 640 128              | 49%            | 42%                        | N/A            | 84%                   |
| YARIP                        | 400 000                | N/A            | N/A                        | N/A            | 189 273              | 47%            | 64%                        | N/A            | 47%                   |
| SSADeP                       | 442 000                | N/A            | N/A                        | N/A            | 530 800              | 46%            | 0%                         | N/A            | 120%                  |
| JiMAAPP                      | 119 727                | N/A            | N/A                        | N/A            | 317 775              | 48%            | 50%                        | N/A            | 265%                  |
| QL-MAPRP                     | 460 000                | N/A            | N/A                        | N/A            | 139 414              | 50%            | 50%                        | N/A            | 30%                   |
| IPRAD-SN                     | 198 847                | 45%            | 29%                        | 34%            | 100 346              | 45%            | 32%                        | 58%            | 50%                   |
| SPRAD-SS                     | 339 561                | 47%            | 0%                         | 24%            | 91 267               | 50%            | 1%                         | 20%            | 27%                   |
| <b>Legacy projects</b>       | <b>1 663 855</b>       | <b>N/A</b>     | <b>N/A</b>                 | <b>N/A</b>     | <b>1 895 850</b>     | <b>59%</b>     | <b>N/A</b>                 | <b>N/A</b>     | <b>114%</b>           |
| <b>2011 COSOP</b>            | <b>2 552 684</b>       | <b>N/A</b>     | <b>N/A</b>                 | <b>N/A</b>     | <b>2 062 516</b>     | <b>49%</b>     | <b>41%</b>                 | <b>N/A</b>     | <b>81%</b>            |
| <b>2016 COSOP (on-going)</b> | <b>538 408</b>         | <b>46%</b>     | <b>15%</b>                 | <b>29%</b>     | <b>191 613</b>       | <b>47%</b>     | <b>16%</b>                 | <b>39%</b>     | <b>36%</b>            |

Sources: PCRVs and PPEs (MTRs for on-going projects)

## Supporting tables and graphs

**Table 1.**  
Project module examples

| Type of modules  | Module examples   | Implementing agencies at country level |
|--|---|--|
| Agricultural production modules: supply of agricultural inputs and equipment, household training | Cash crops/ off-farm income generation module; annual/perennial cash crops production module; root and tuber crops R&D module | Bureau of Agriculture                  |
|  | Orchard-poultry integrated farming module; landrace livestock development module  | Bureau of Livestock                    |
| Construction - based modules: civil works, O&M training  | Biogas system module; village sanitation improvement module   | Bureau of Agriculture                  |
|  | Irrigation facilities development module; drinking water supply system module   | Bureau of Water Resources              |
|  | Village roads improvement module  | Bureau of Transportation               |
| Support service modules: technical support, staff training, capacity building                    | Cooperatives support module; value chain enhancement module; agricultural extension service module                            | Bureau of Agriculture                  |

Source: Project design reports.

**Table 2.**  
Rural solutions portal statistics

| <i>i) Statistics of IFAD partners in China engaging in SSTC projects (outbound)</i> |                          |                             | Type of partner |          |                   |       |     |
|---|--------------------------|-----------------------------|-----------------|----------|-------------------|-------|-----|
|   |                          |                             | Enterprise      | Academia | Government Agency | Other | NGO |
| Type of cooperation*  | Frequency of cooperation | No. of IFAD funded projects | 12              | 6        | 3                 | 2     | 1   |
| Capacity building   | 17                       | -                           | 21%             | 33%      | 25%               | 33%   | 33% |
| Technology transfer   | 16                       | -                           | 29%             | 28%      | 38%               | -     | -   |
| Knowledge exchange  | 9                        | -                           | -               | 28%      | 25%               | 17%   | 33% |
| Financing/direct investment   | 7                        | -                           | 25%             | -        | -                 | -     | -   |
| Policy dialogue   | 5                        | -                           | -               | 11%      | 13%               | 17%   | 33% |
| Joint venture   | 2                        | -                           | 7%              | -        | -                 | -     | -   |
| Project/business cooperation  | 4                        | -                           | 7%              | -        | -                 | 33%   | -   |
| Foreign trade   | 2                        | -                           | 7%              | -        | -                 | -     | -   |
| Research  | 1                        | -                           | 4%              | -        | -                 | -     | -   |

Source: Rural solutions portal

\*One partner might have multiple types of cooperation

| <i>ii) Statistics of rural solutions located in China (inbound)</i> |  |   |  |
|---|--|---|--|
| Type of solution*   | No. of solution involved (total number: 110) | % solutions in China (total number: 15) | % solutions in China and supported by IFAD |
| Financing scheme  | 18   | 0%                                      | 0%   |
| Innovation (technical or institutional)                             | 69   | 17%                                     | 0%   |
| Knowledge exchange  | 38   | 16%                                     | 0%   |
| Methodology   | 21   | 14%                                     | 0%   |
| Policy dialogue/forum   | 10   | 0%                                      | 0%   |
| Processes   | 19   | 16%                                     | 0%   |
| Technology  | 43   | 12%                                     | 0%   |

Source: Rural solutions portal

\* One solution might apply multiple types

**Table 3.**  
Disbursement rate of the project funds calculated from OBI yearly disbursement data

| COSOP                        | Project   | Start-up stage | Mid term | Disbursement rate at completion |
|------------------------------|-----------|----------------|----------|---------------------------------|
| <i>Legacy projects</i>       | ECPRP-NX  | 17.10%         | 25.10%   | 97.95%                          |
|                              | MRDP-XUAR | 30.50%         | 43.95%   | 99.93%                          |
|                              | IMARRAP   | 20.33%         | 33.34%   | 97.87%                          |
|                              | DAPRP     | 14.61%         | 30.08%   | 85.24%                          |
| <i>2011 COSOP</i>            | GIADP     | 17.74%         | 25.06%   | 100.00%                         |
|                              | HARIIP    | 24.26%         | 62.92%   | 99.99%                          |
|                              | YARIP     | 33.43%         | 71.90%   | 99.92%                          |
|                              | SSADeP    | 23.71%         | 43.99%   | 97.20%                          |
|                              | JiMAAPPP  | 14.93%         | 27.38%   | 92.41%                          |
|                              | QL-MAPRP  | 15.41%         | 43.62%   | 98.59%                          |
| <i>2016 COSOP (on-going)</i> | IPRAD-SN  | 8.94%          | 23.72%   | N/A                             |
|                              | SPRAD-SS  | 12.83%         | 44.29%   | N/A                             |

Source: OBI

Table 4.

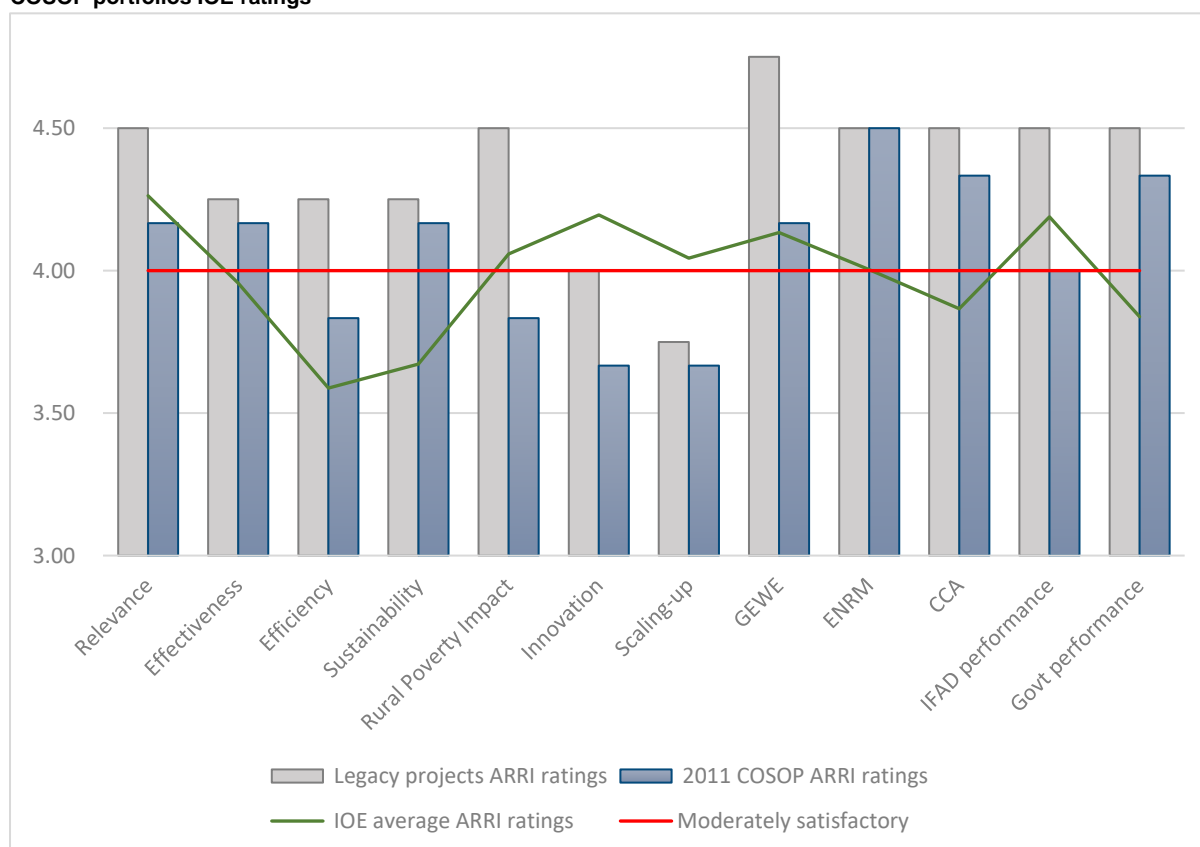
## Rural Poverty Impact, by Period: Availability of Evidence and Summary of Findings

| Rural Poverty Dimension        | Legacy projects | Completed projects | On-going projects (mid-term) |
|--------------------------------|-----------------|--------------------|------------------------------|
| Agricultural productivity      | ++(1)           | ++ (4)             | + (6)                        |
| Incomes                        | ++ (2)          | ++ (4)             | Too early (6)                |
| Household assets               | ++ (2)          | -/NA/++ (4) (5)    | 0 (6)                        |
| Nutrition                      | NA              | --.NA/++ (3) (4)   | NA                           |
| Human and social capital       | ++ (2)          | + (4)              | + (6)                        |
| Institutional impact           | + (3)           | 0/+ (7)            | Too early (7)                |
| Impact on poorest and marginal | ++ (2)          | NA/++ (4) (5)      | Too early (6)                |

Sources: (1) ECP RP PPE. (2) Shuai 2016. (3) Shuai 2011. (4) GIADP impact evaluation. (5) Endline impact surveys. (6) Mid-term impact surveys and MTRs. (7) PMO interviews and PCR stakeholder meeting minutes. Notes: + = positive impact evidence, - = negative impact evidence, 0 = evidence of no impact. NA = impact evidence not available. ++ or -- = quantified evidence.

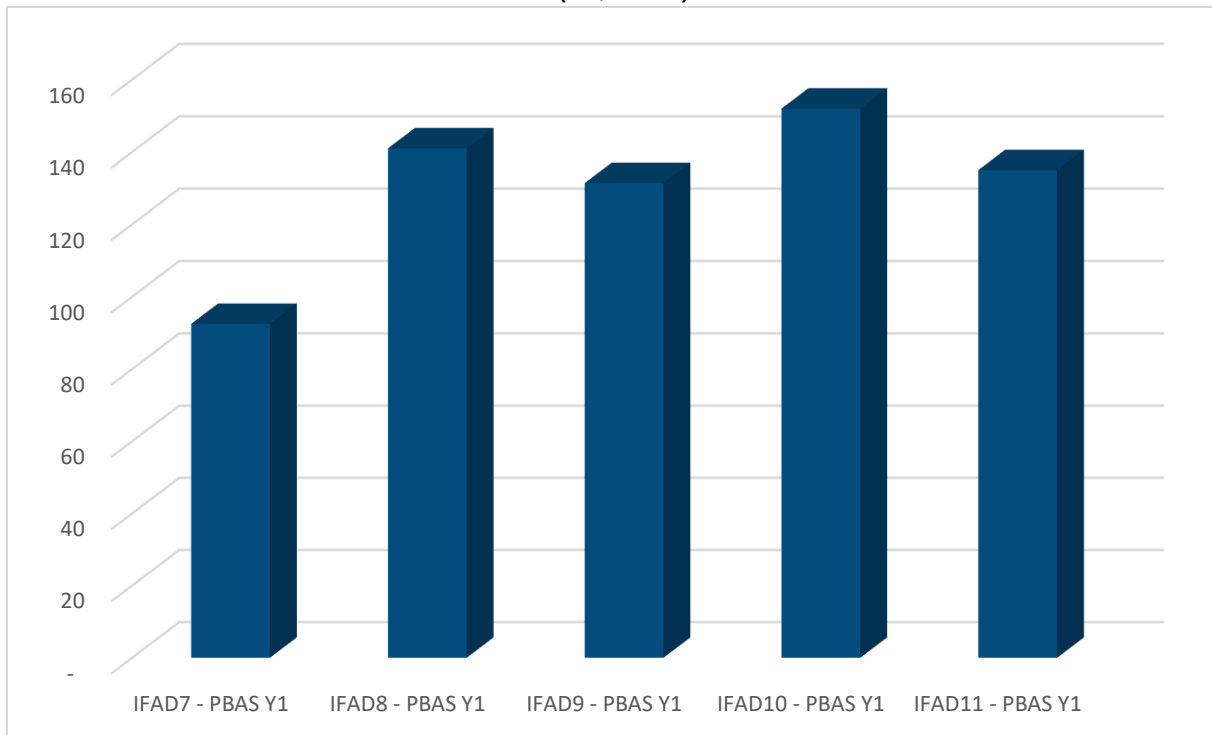
Figure 1.

## COSOP portfolios IOE ratings



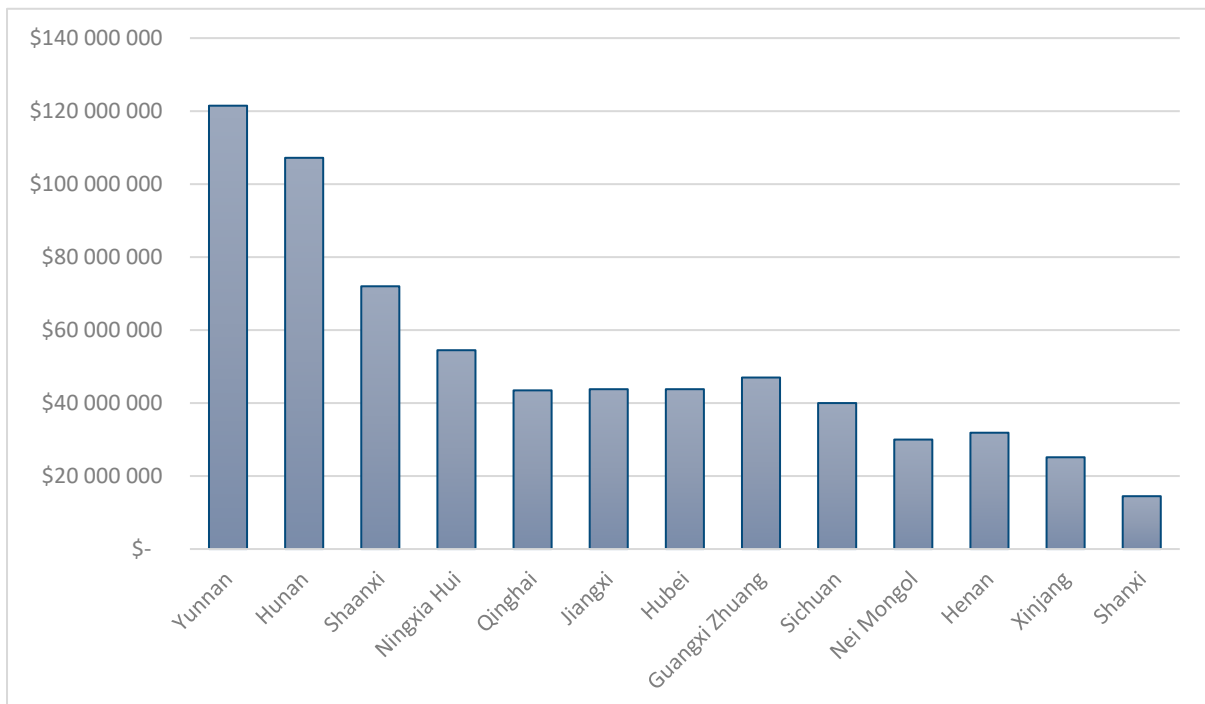
Source: Annual Report on Results and Impact of IFAD Operations (ARRI) database

**Figure 2.**  
**IFAD PBAS allocations to china from IFAD 7 - IFAD 11 (US\$ million)**



Source: IFAD Oracle Business Intelligence reports

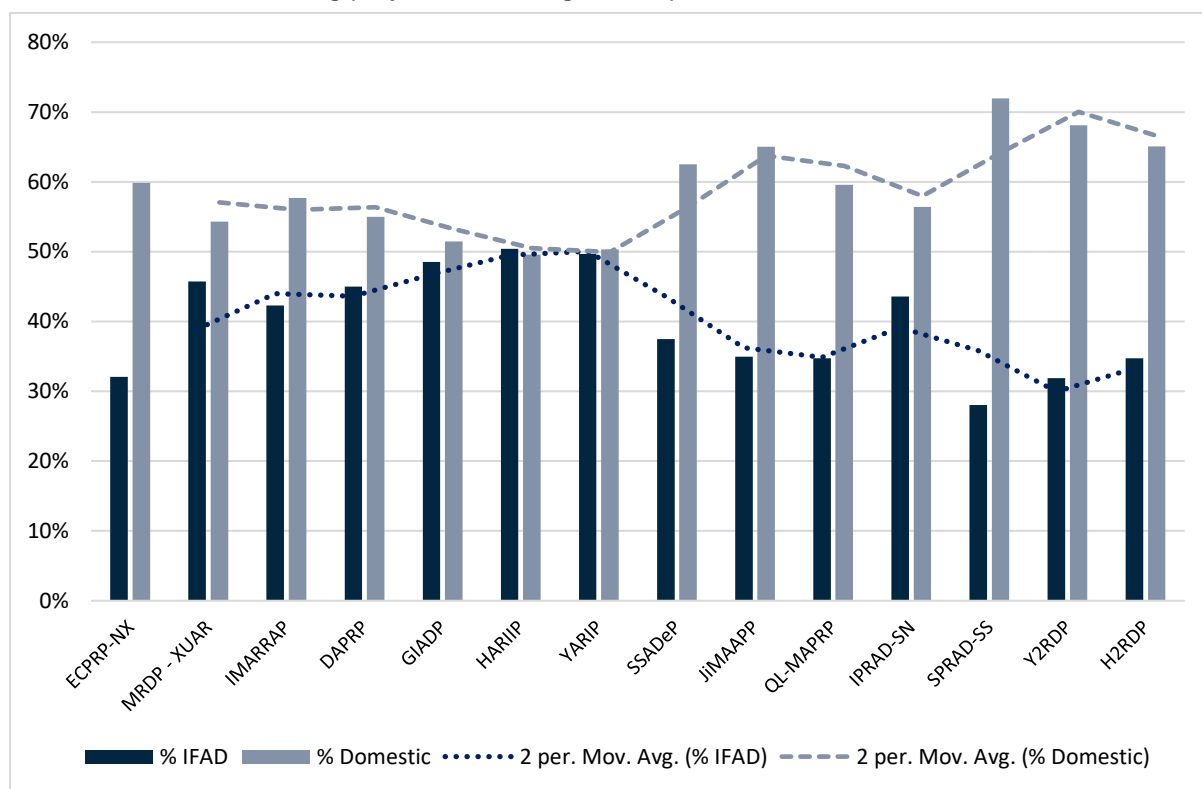
**Figure 3.**  
**Finance by Province**



Source: Reports reviewed

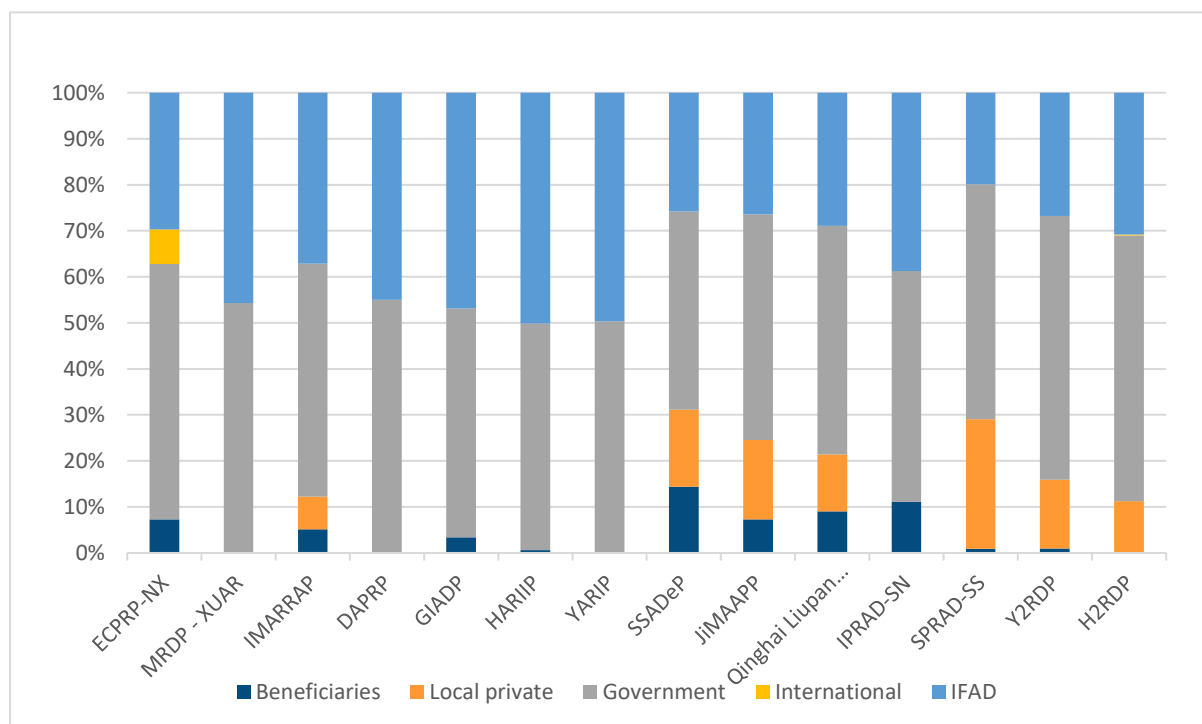


**Figure 4.**  
**IFAD and Domestic Co-financing (Projects in chronological order)**



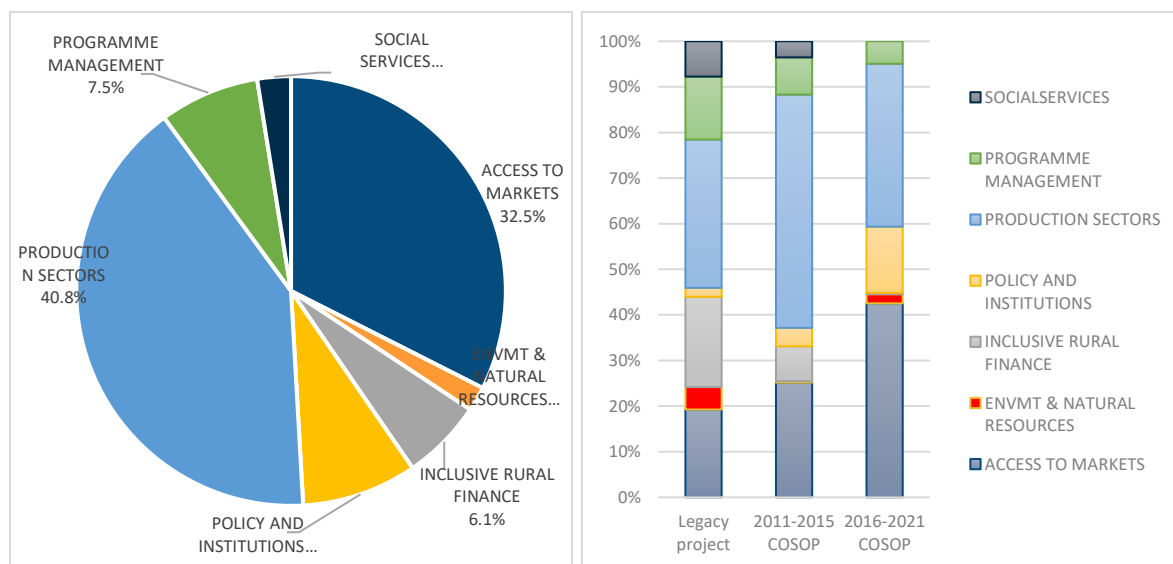
Source: OBI

**Figure 5.**  
**Project financing by financier**



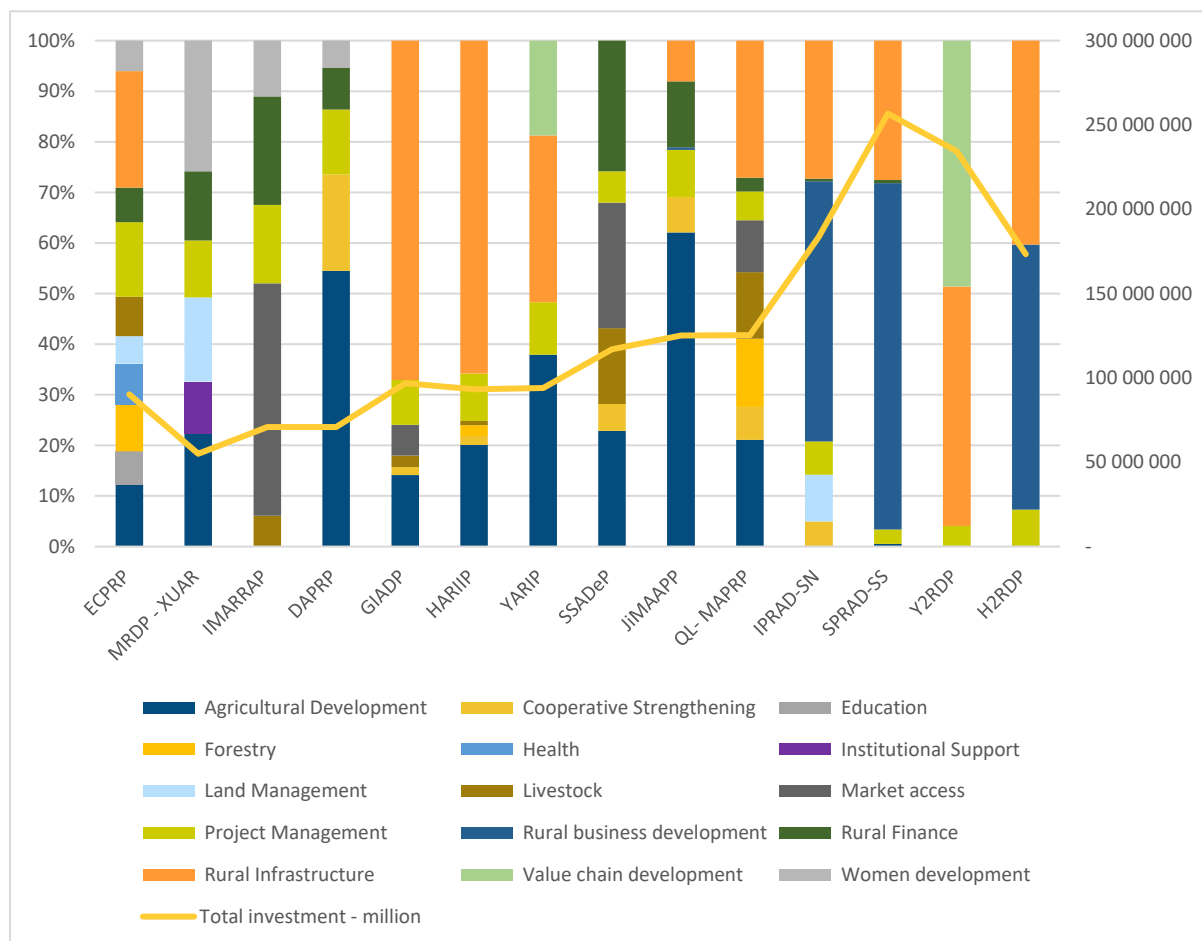
Source: OBI

**Figure 6**  
Project financing by macro areas



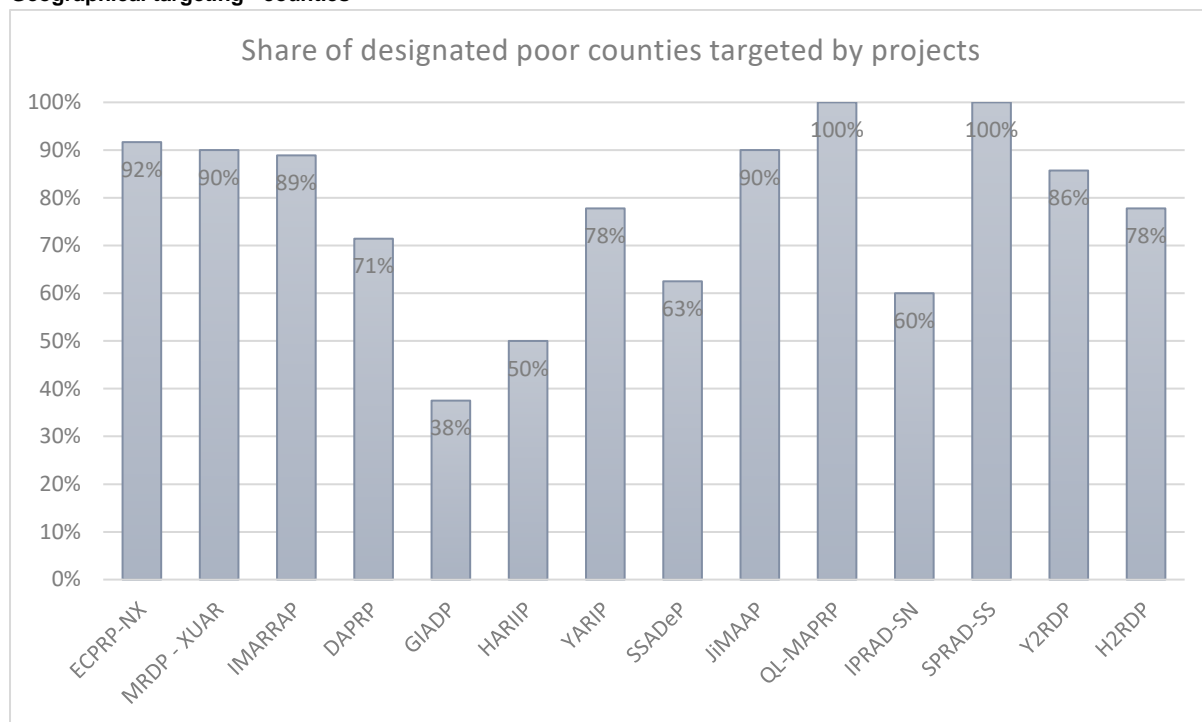
Source: OBI.

**Figure 7**  
Project financing by activities



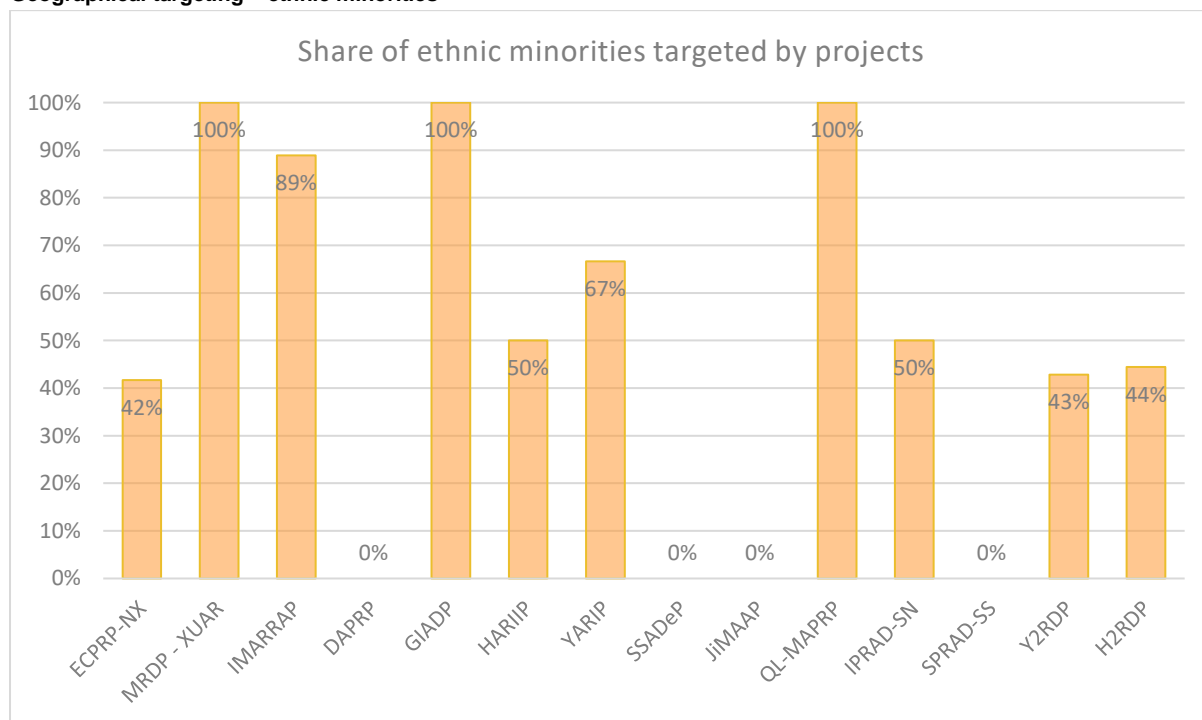
Source: OBI.

**Figure 8**  
**Geographical targeting - counties**



Source: Project Design Documents.

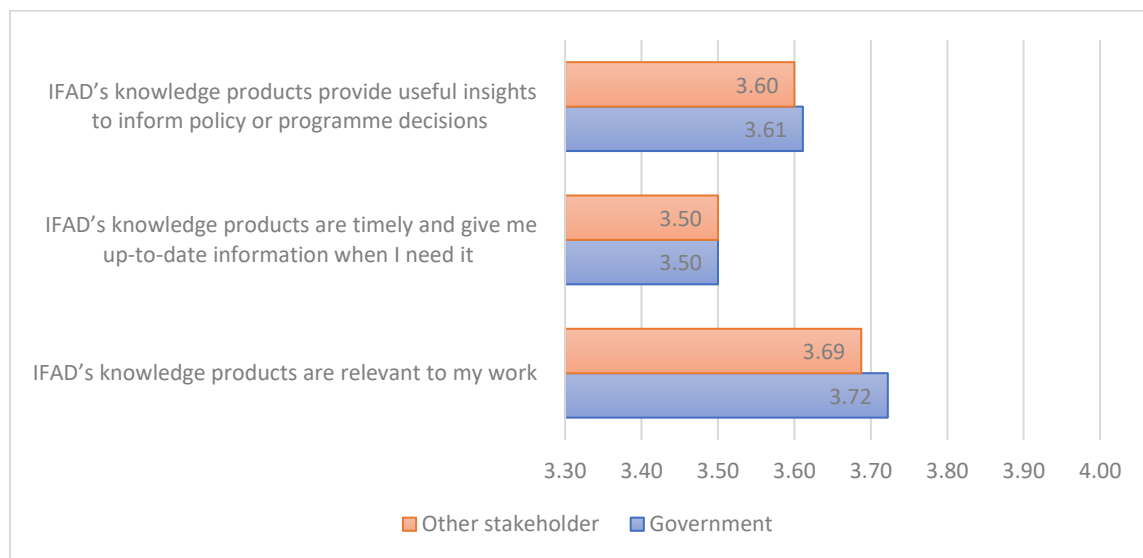
**Figure 9**  
**Geographical targeting – ethnic minorities**



Source: Project Design Documents.

Figure 10

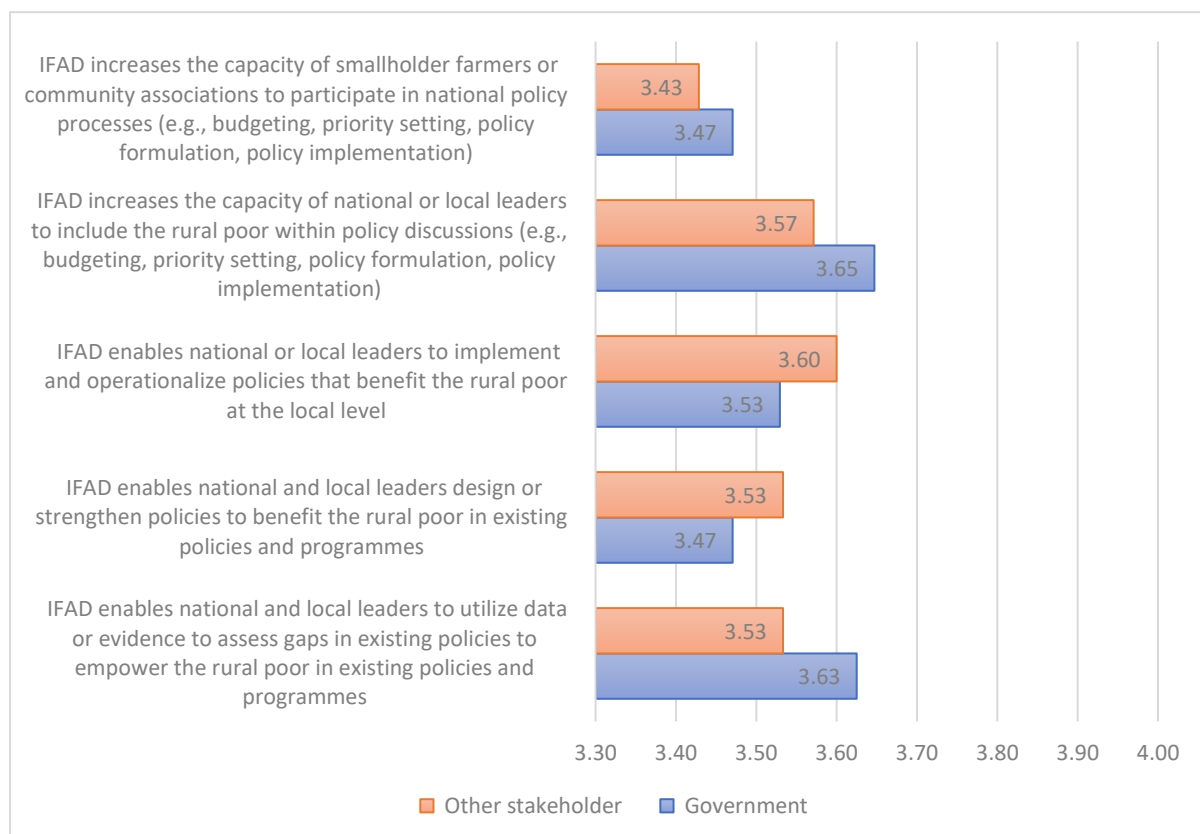
**3.3.6 Knowledge Management: To what extent do you agree with the following statements about how IFAD’s knowledge products (e.g., data, analysis, studies, workshops) in your country? Please identify your level of agreement with each statement about IFAD on a scale of 1 (strongly disagree) to 4 (strongly agree)**



Source: CSPE analysis on 2021 Client Survey.

Figure 11

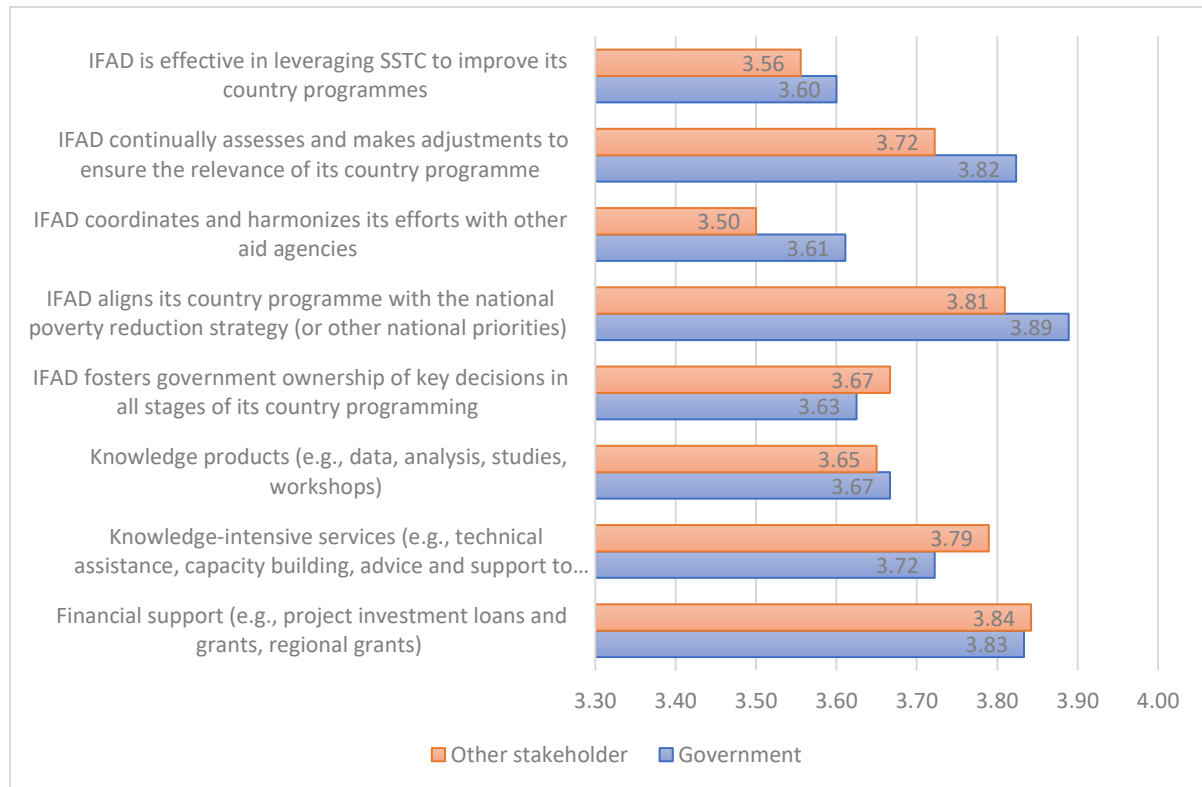
**3.3.5 Country Level Policy Engagement: To what extent are IFAD’s contributions leading to changes in existing laws, norms, and decision-making processes in ways that benefit the rural poor in your country? Please rate the effectiveness of IFAD’s contributions in each area on a scale of 1 (not at all effective) to 4 (extremely effective)**



Source: CSPE analysis on 2021 Client Survey.

**Figure 12**

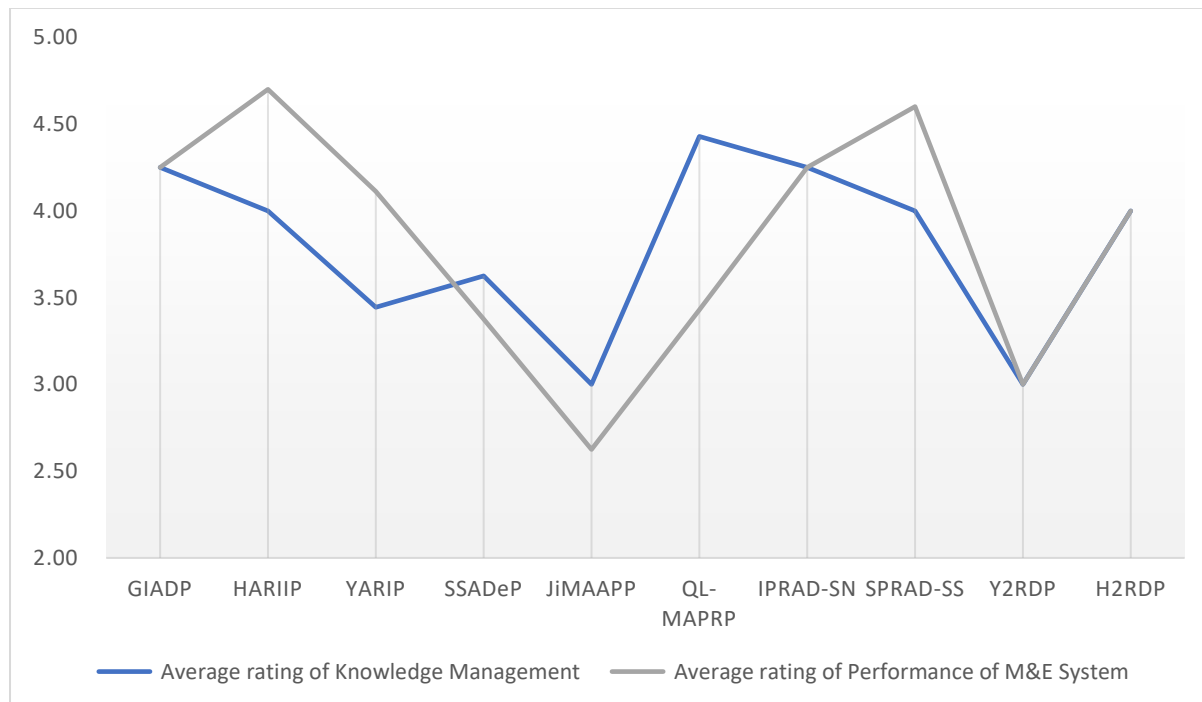
**3.3.1. RELEVANCE: How relevant are IFAD’s products and services in equipping your country to reduce rural poverty and food insecurity? /To what extent do you agree? 1 (not at all relevant) to 4 (extremely relevant)/1 (strongly disagree) to 4 (strongly agree)**



Source: CSPE analysis on 2021 Client Survey

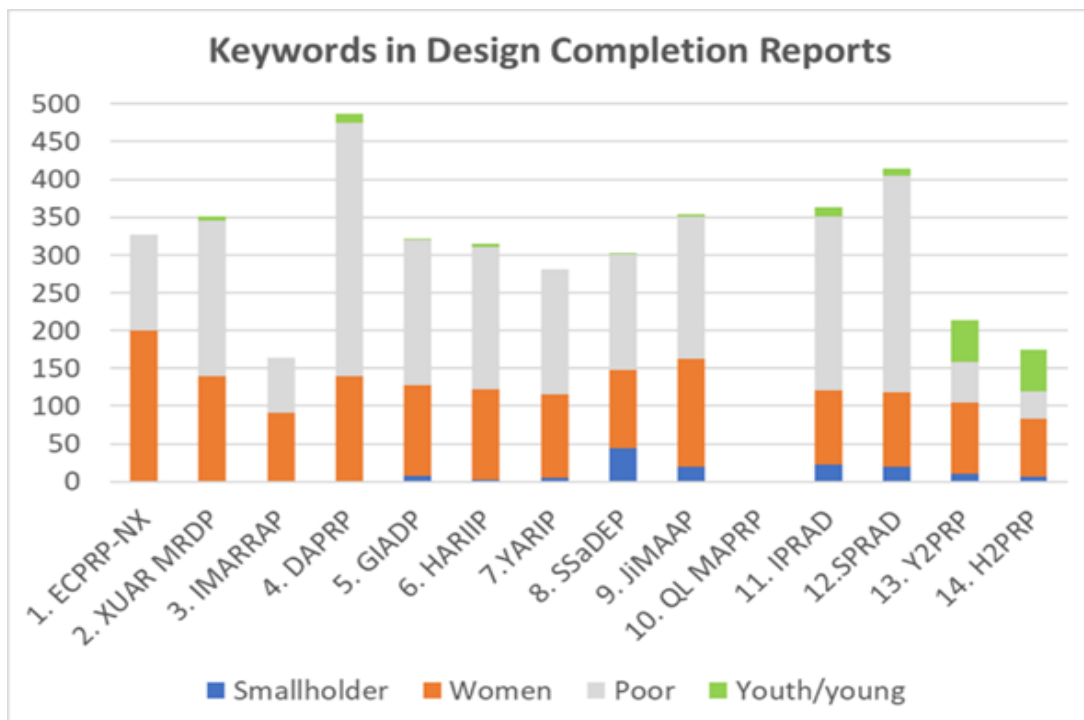
**Figure 13**

**KM and M&E ratings from supervision mission reports**



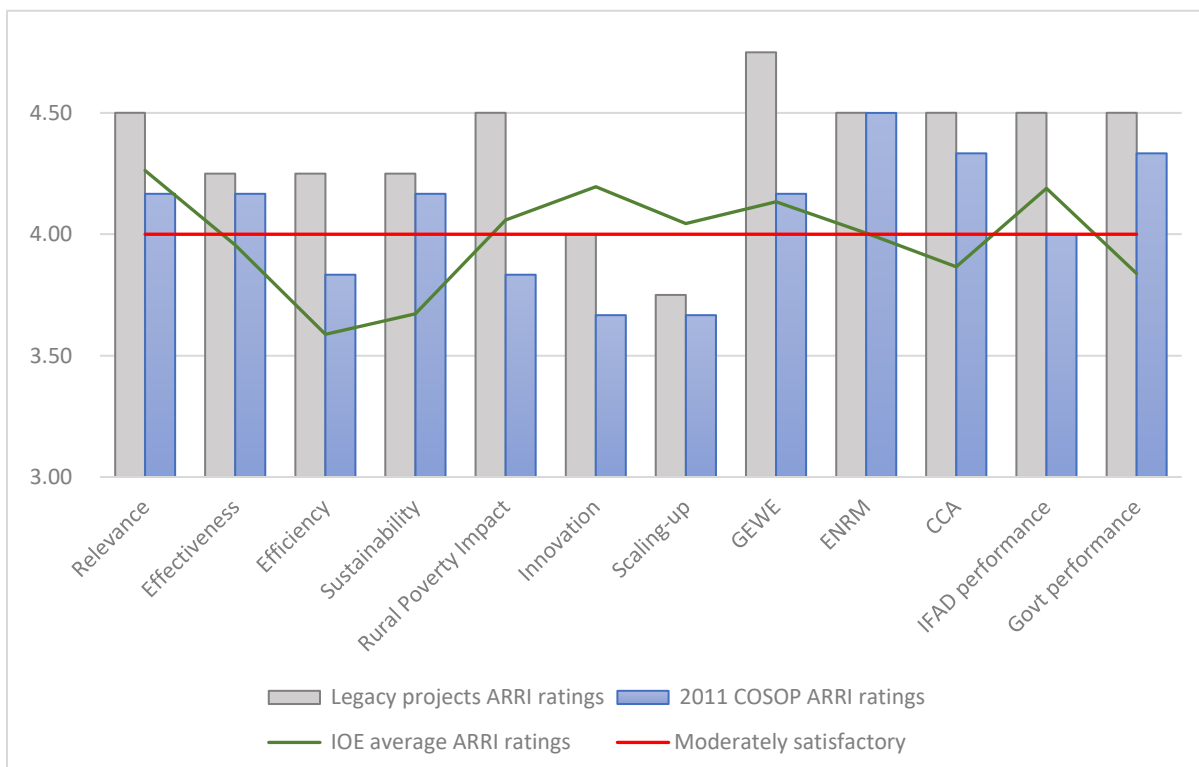
Source: SIS ratings.

**Figure 14**  
**Key words in the project design completion reports**



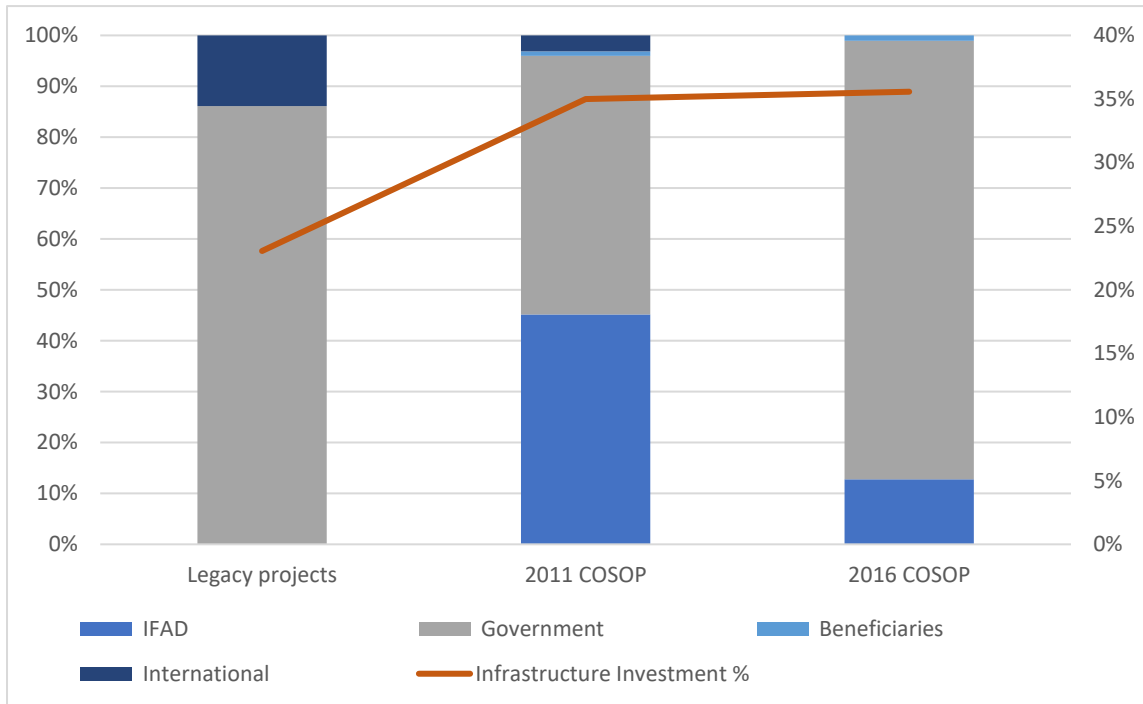
Source: CSPE analysis on project design completion reports.

**Figure 15**  
**COSOP portfolios IOE ratings**



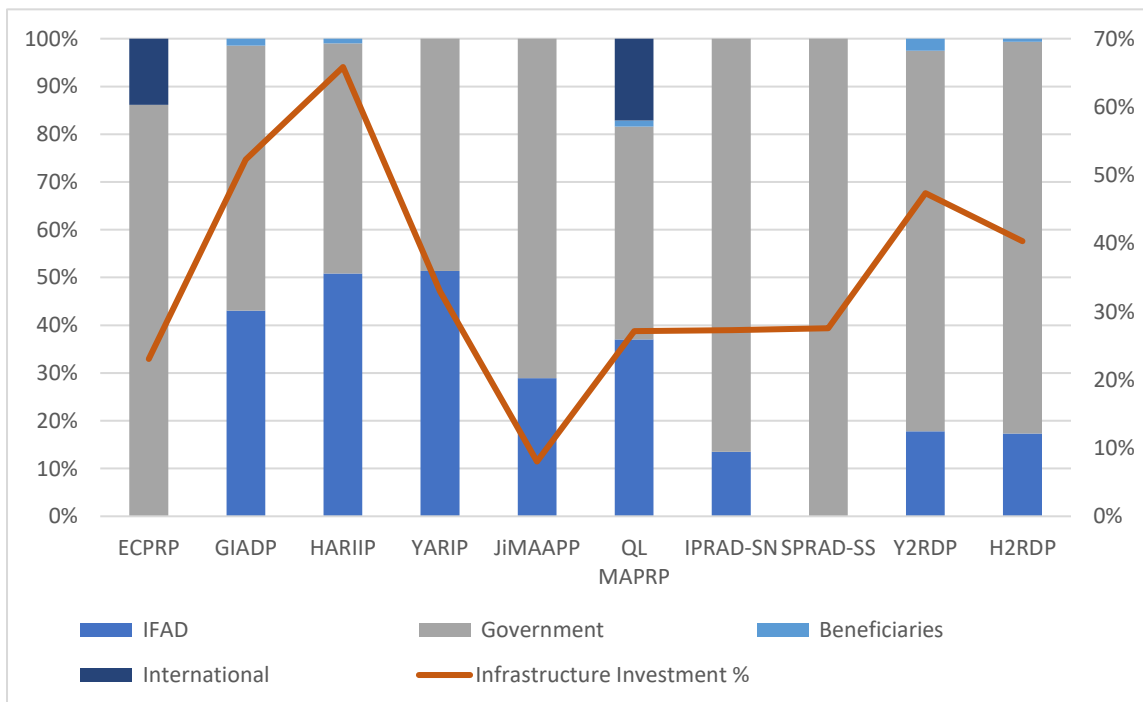
Source: ARRI database.

**Figure 16**  
**Infrastructure investment by period**



Source: OBI

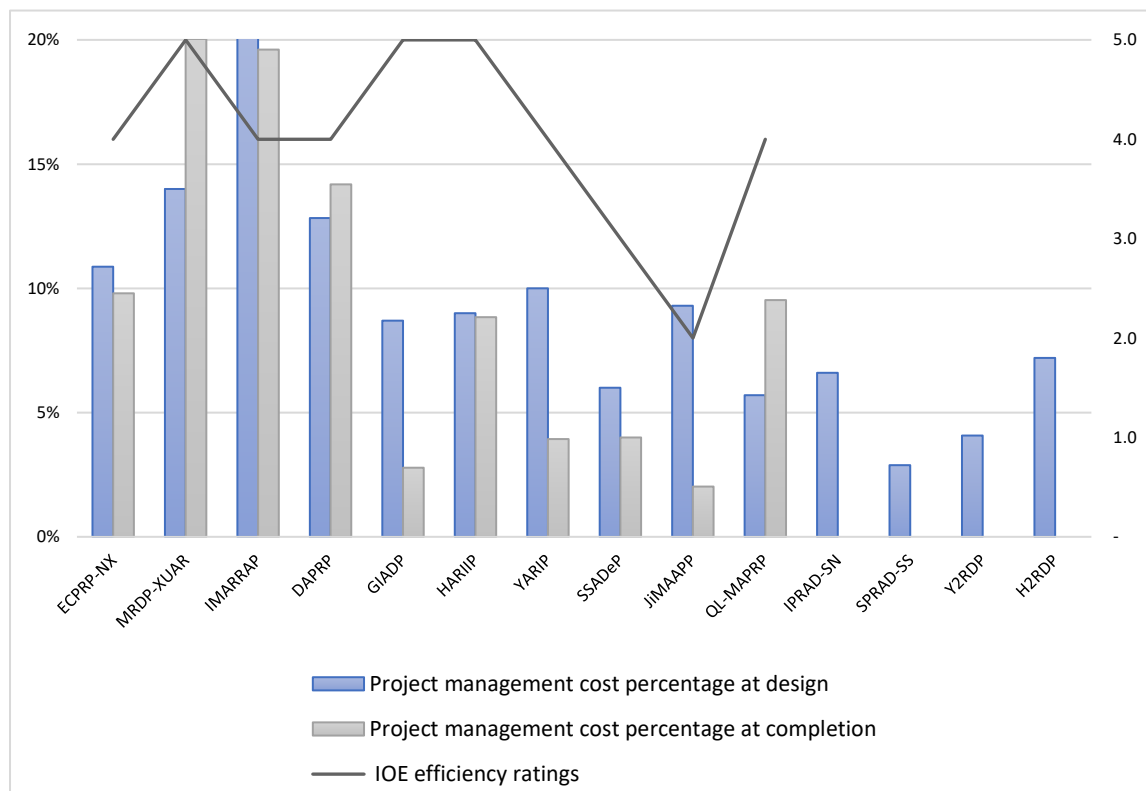
**Figure 17**  
**Infrastructure investment by project**



Source: OBI.

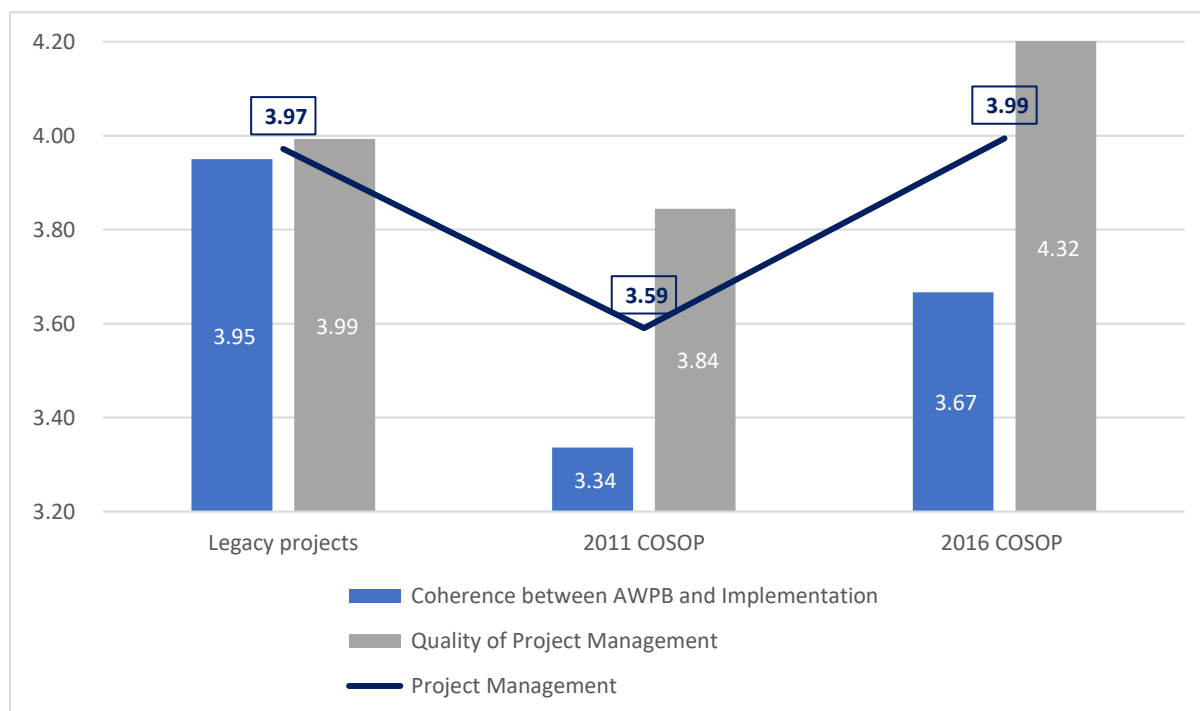


**Figure 18**  
**Project Management: costs and efficiency performance**



Source: CSPE analysis.

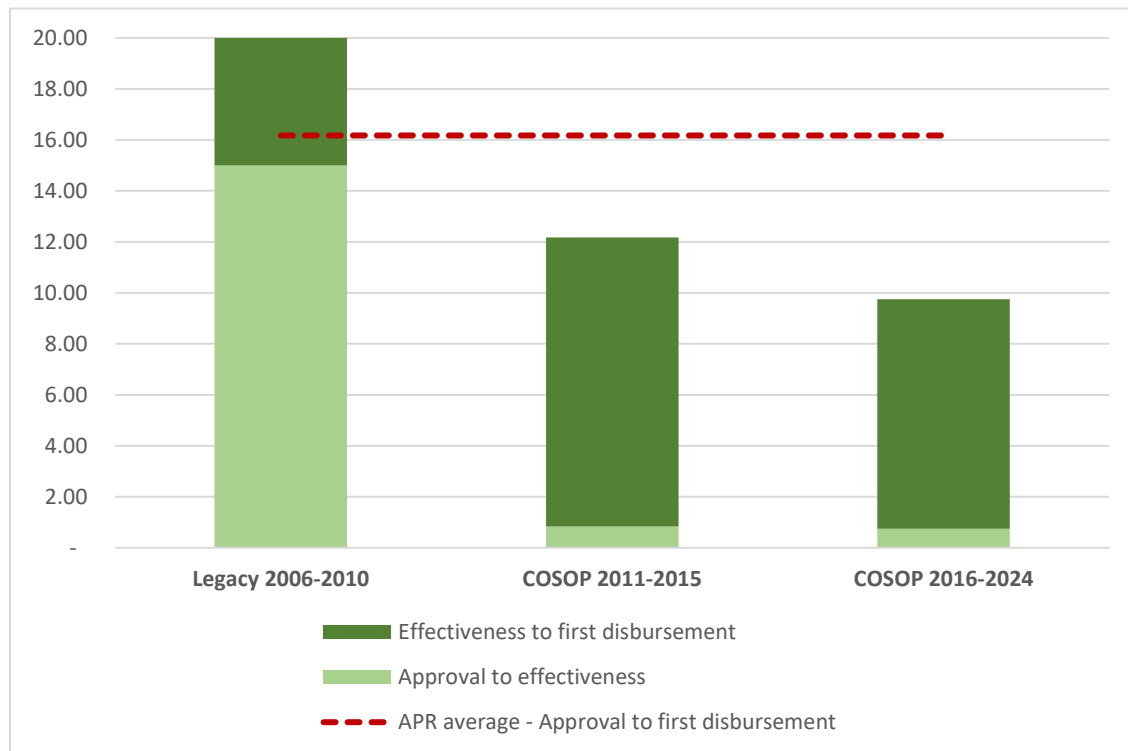
**Figure 19**  
**Supervision mission ratings - Project Management by COSOP**



Source: SIS ratings.

**Figure 20**

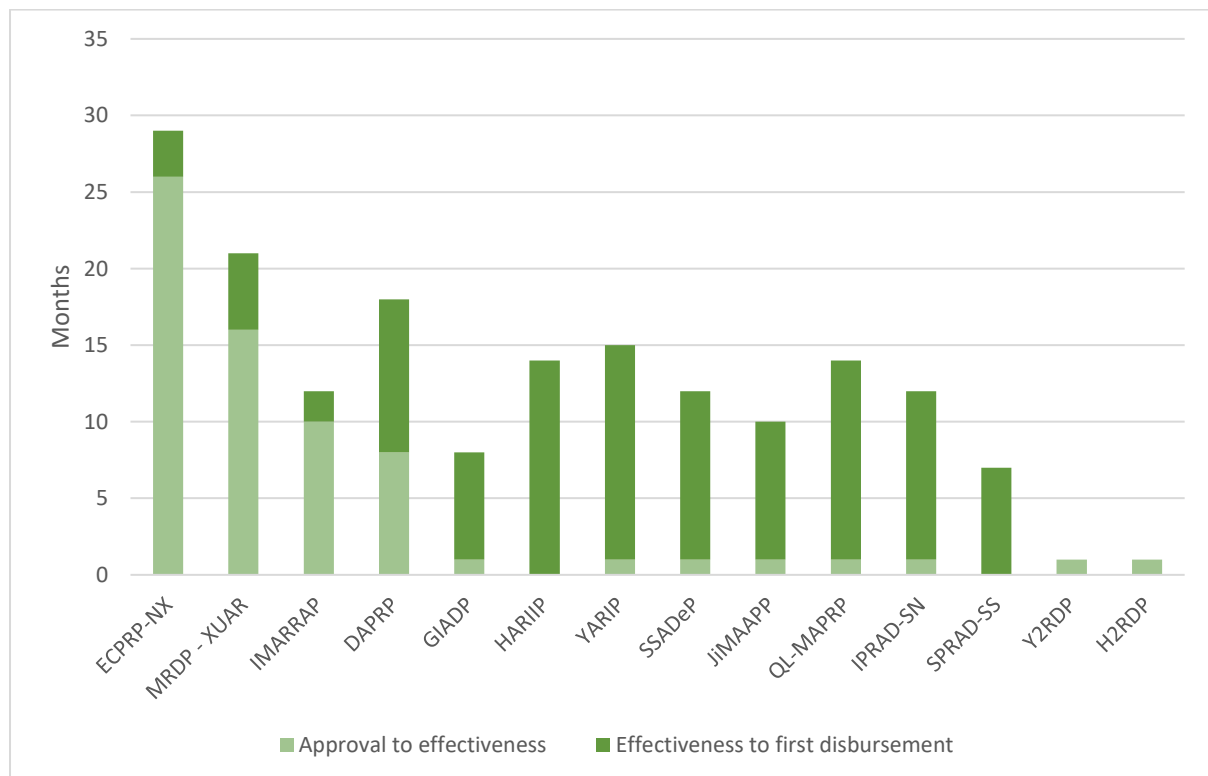
**Time lags of approval to effectiveness and effectiveness to first disbursement (months)**



Source: OBI.

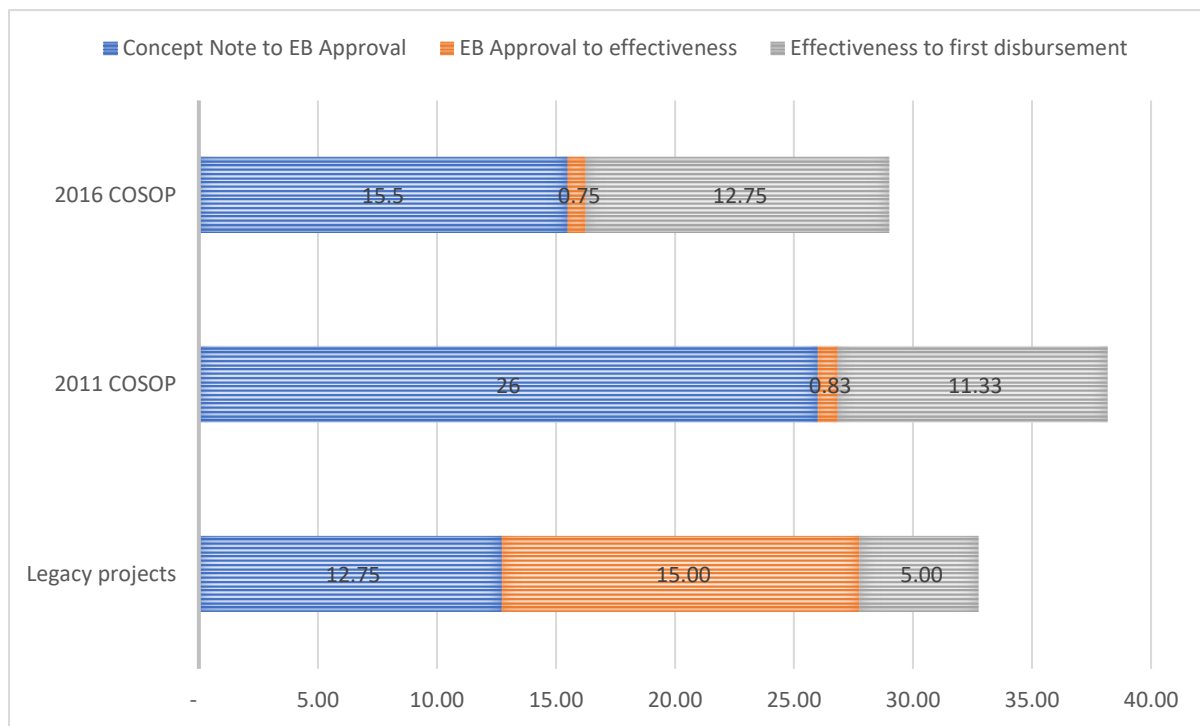
**Figure 21**

**Timeliness by project - Approval to First Disbursement (months)**



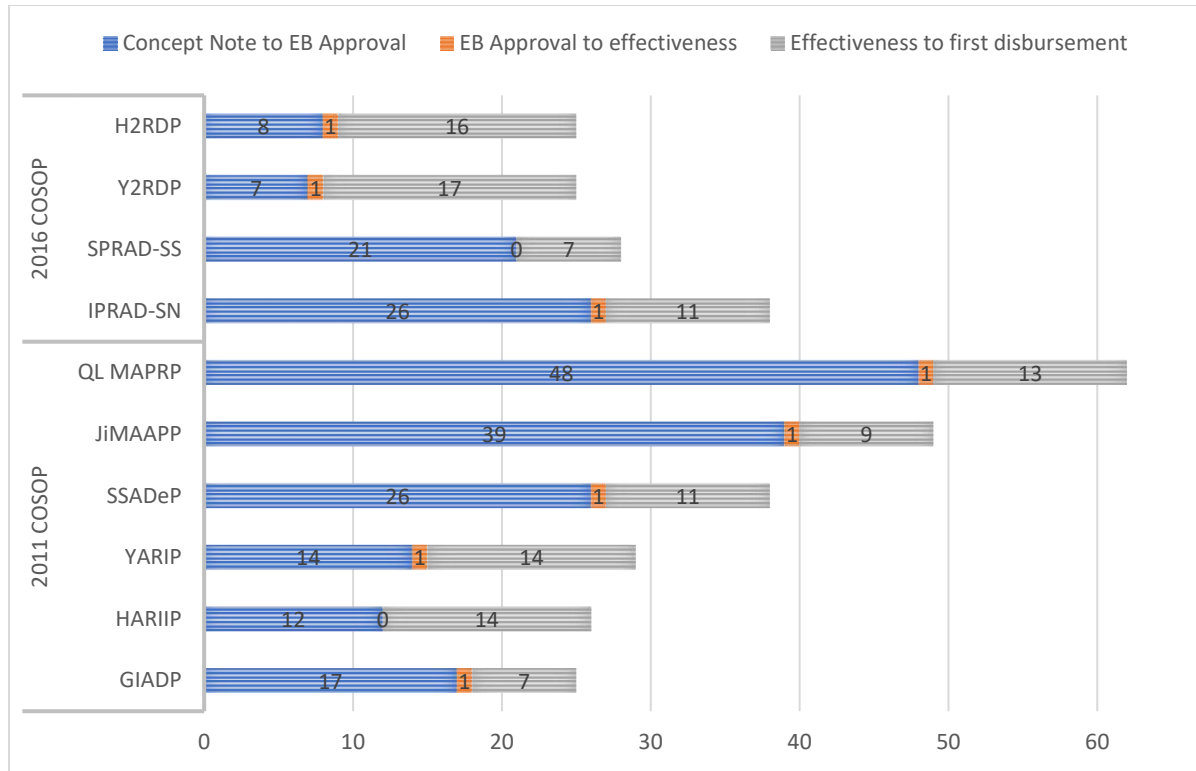
Source: OBI.

**Figure 22**  
**Start-up timeline overview by COSOP**



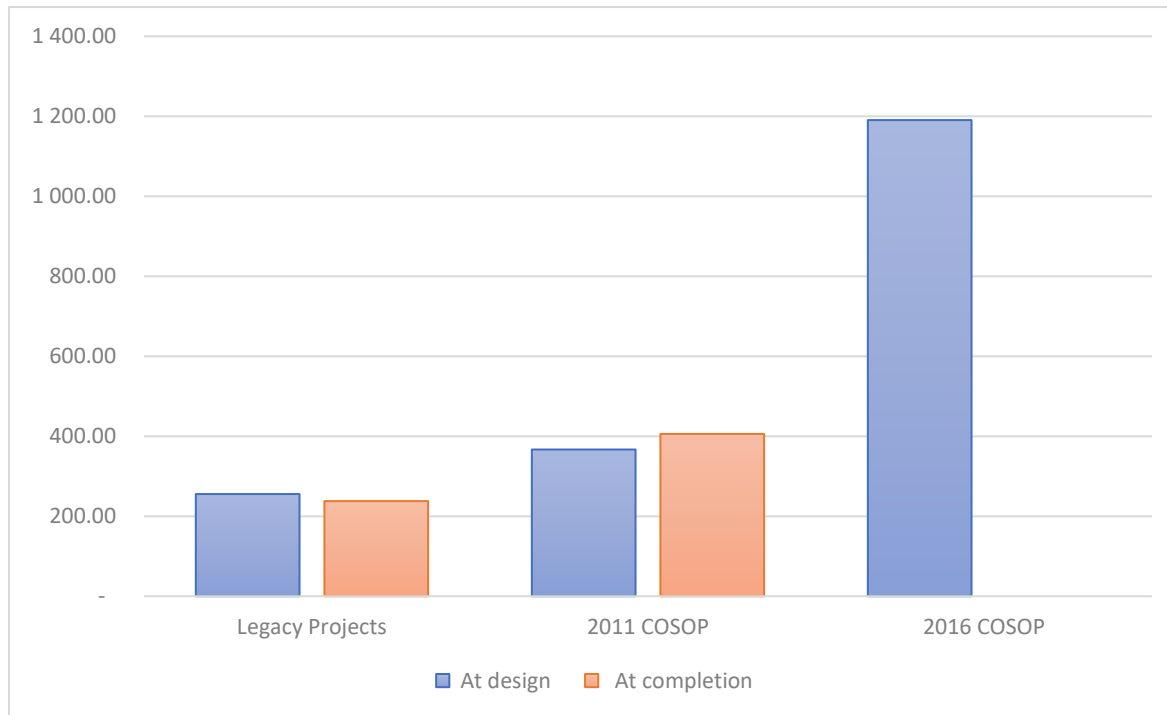
Source: OBI and ORM.S

**Figure 23**  
**Start-up timeline overview by project**



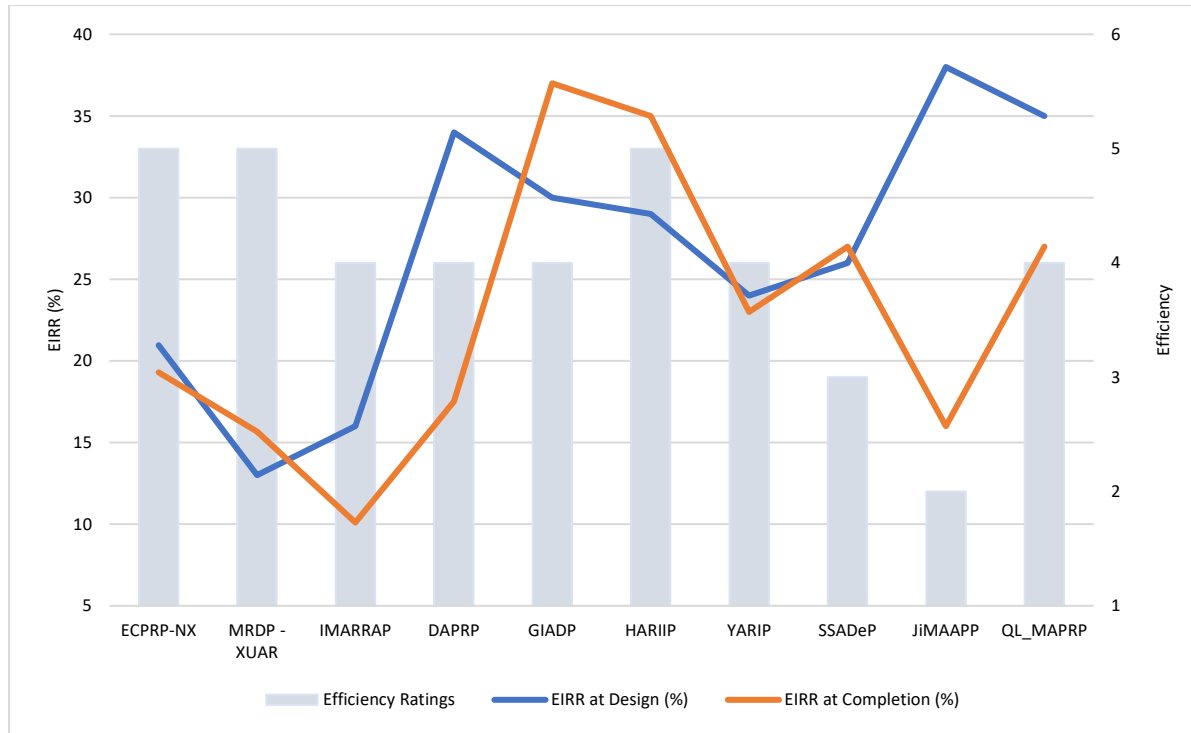
Source: OBI and ORMS.

**Figure 24**  
**Cost per beneficiary (USD) by COSOP**



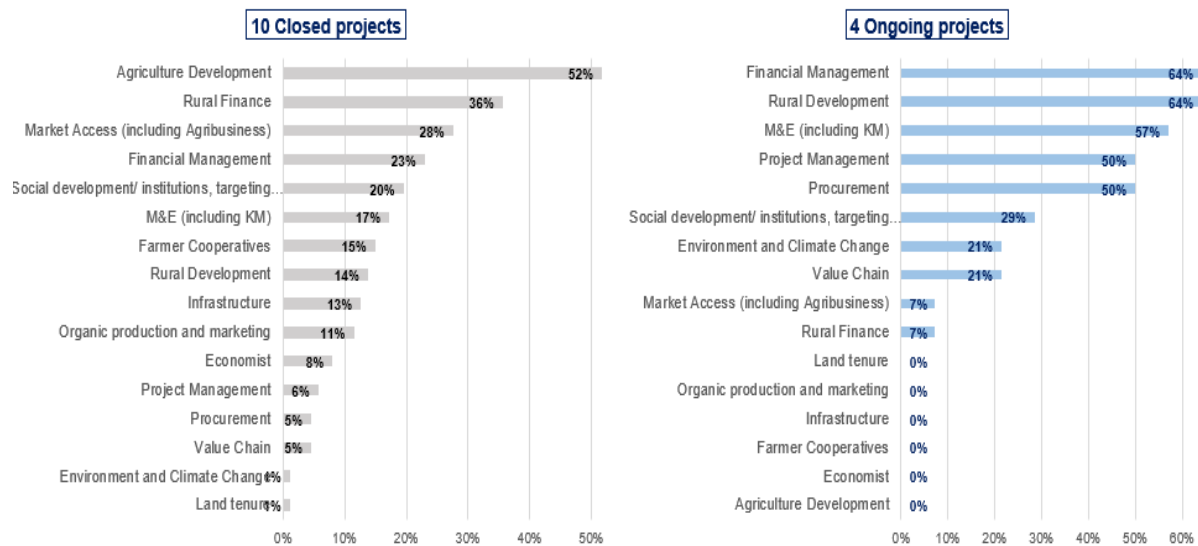
Source: project documents.

**Figure 25**  
**EIRR Baseline Vs EIRR Completion**



Source: IFAD project documents.

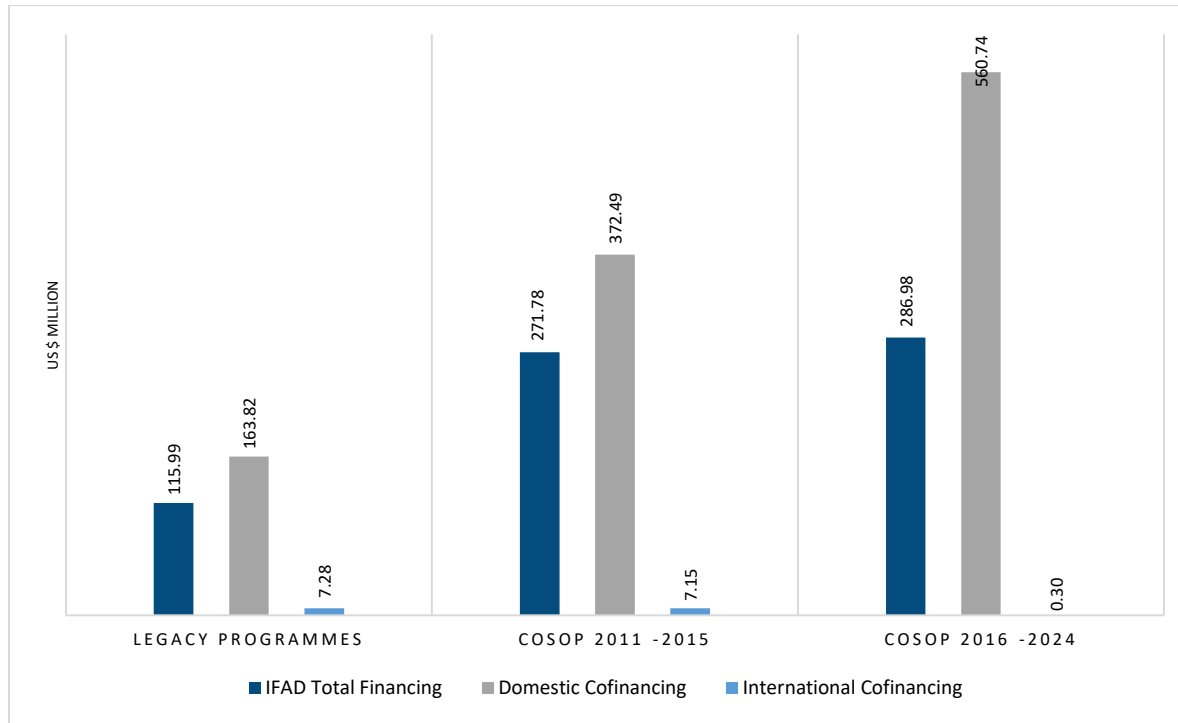
**Figure 26**  
**Frequency of IFAD SIS consultants**



Source: CSPE analysis based on information from supervision mission reports.

**Figure 27**  
**Cumulative funding at different COSOP (US million)**

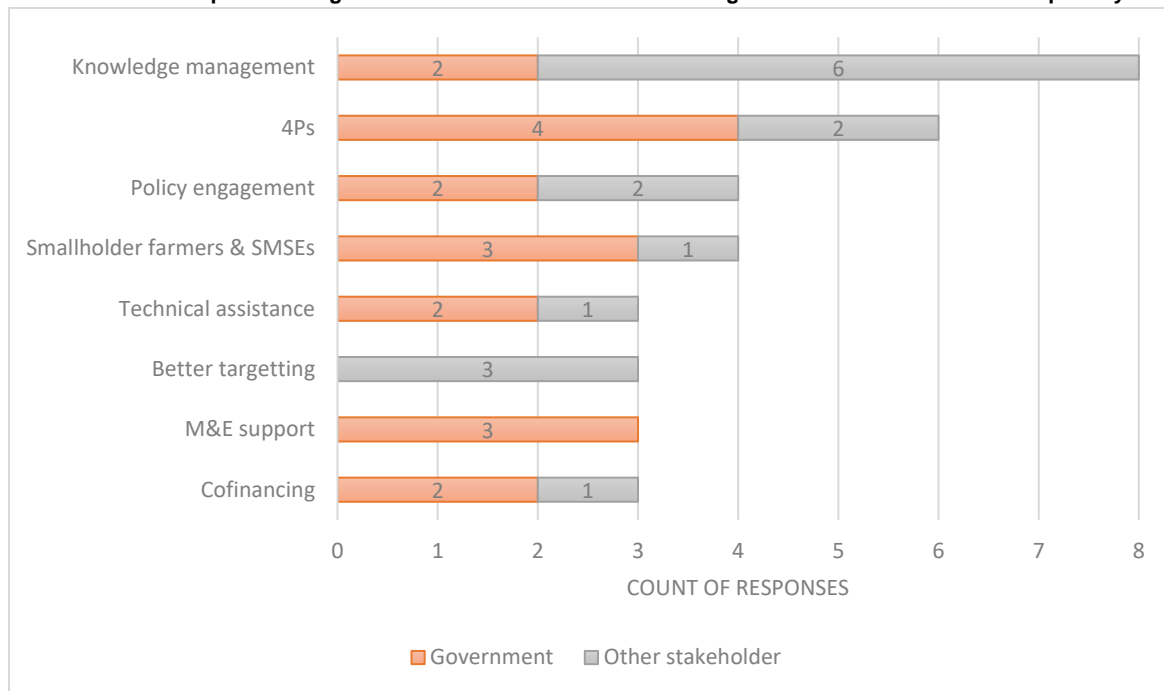




Source. IFAD OBI.

**Figure 28**

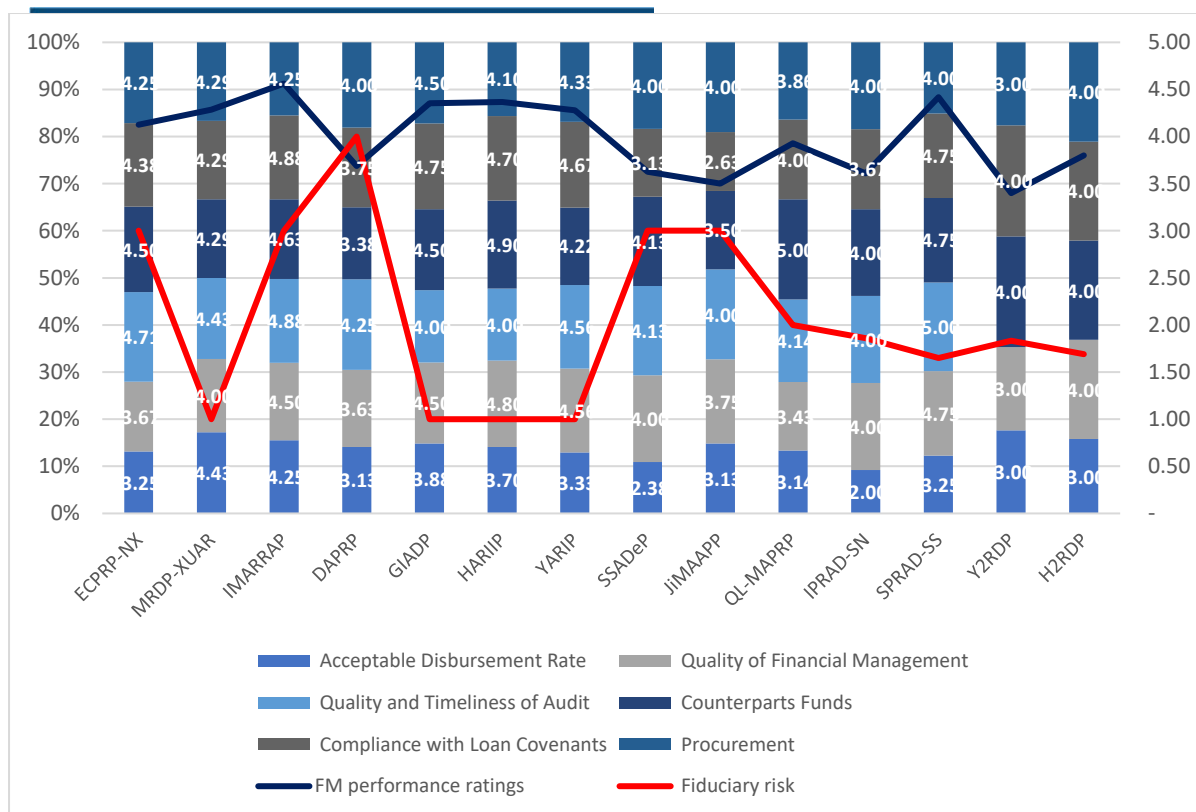
**What is the most important thing that IFAD should do in future to strengthen its efforts to reduce rural poverty and food insecurity in your country? Please select only one option**



Source: CSPE analysis on 2021 Client Survey.

**Figure 29**

**FM performance and Fiduciary risk**



Source: SIS reports.

### Ratings of IFAD lending portfolio in China

| Year of PCR/V/PPE           | 2016     | 2016        | 2017    | 2017  | 2019  | 2020   | 2020  | 2020   | 2021    | 2022     |
|-----------------------------|----------|-------------|---------|-------|-------|--------|-------|--------|---------|----------|
|                             | ECPRP-NX | MRDP - XUAR | IMARRAP | DAPRP | GIADP | HARIIP | YARIP | SSADeP | JiMAAPP | QL MAPRP |
| <b>Rural poverty impact</b> | 4        | 5           | 5       | 4     | 4     | 4      | 4     | 4      | 3       | 4        |
| <b>Project performance</b>  |          |             |         |       |       |        |       |        |         |          |
| <b>Relevance</b>            | 3        | 5           | 5       | 5     | 5     | 4      | 4     | 4      | 3       | 5        |

| Year of PCR/V/PPE                              | 2016     | 2016        | 2017    | 2017  | 2019  | 2020   | 2020  | 2020   | 2021    | 2022     |
|--|----------|-------------|---------|-------|-------|--------|-------|--------|---------|----------|
|  | ECPRP-NX | MRDP - XUAR | IMARRAP | DAPRP | GIADP | HARIIP | YARIP | SSADeP | JiMAAPP | QL MAPRP |
| Effectiveness                                  | 4        | 5           | 4       | 4     | 5     | 5      | 4     | 4      | 3       | 4        |
| Efficiency                                     | 4        | 5           | 4       | 4     | 5     | 5      | 4     | 3      | 2       | 4        |
| Sustainability of benefits                     | 4        | 5           | 4       | 4     | 5     | 5      | 5     | 4      | 3       | 3        |
| Project performance <sup>b</sup>               | 3.75     | 5           | 4.25    | 4.25  | 5     | 4.75   | 4.25  | 3.75   | 2.75    | 4        |
| Other performance criteria                     |          |             |         |       |       |        |       |        |         |          |
| Gender equality and women's empowerment        | 5        | 5           | 5       | 4     | 4     | 4      | 5     | 4      | 4       | 4        |
| Innovation                                     | 3        | 4           | 5       | 4     | 5     | 4      | 4     | 4      | 2       | 3        |
| Scaling up                                     | 3        | 4           | 4       | 4     | 4     | 4      | 4     | 5      | 1       | 4        |
| Environment and natural resources management   | 4        | 5           | 5       | 4     | 5     | 5      | 5     | 4      | 4       | 4        |
| Adaptation to climate change                   | 4        | 5           | 5       | 4     | 5     | 5      | 4     | 4      | 4       | 4        |
| Portfolio performance and results <sup>c</sup> | 4        | 5           | 5       | 4     | 5     | 5      | 4     | 4      | 3       | 4        |

a Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

b Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

c This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender, innovation, scaling up, environment and natural resources management and adaptation to climate change

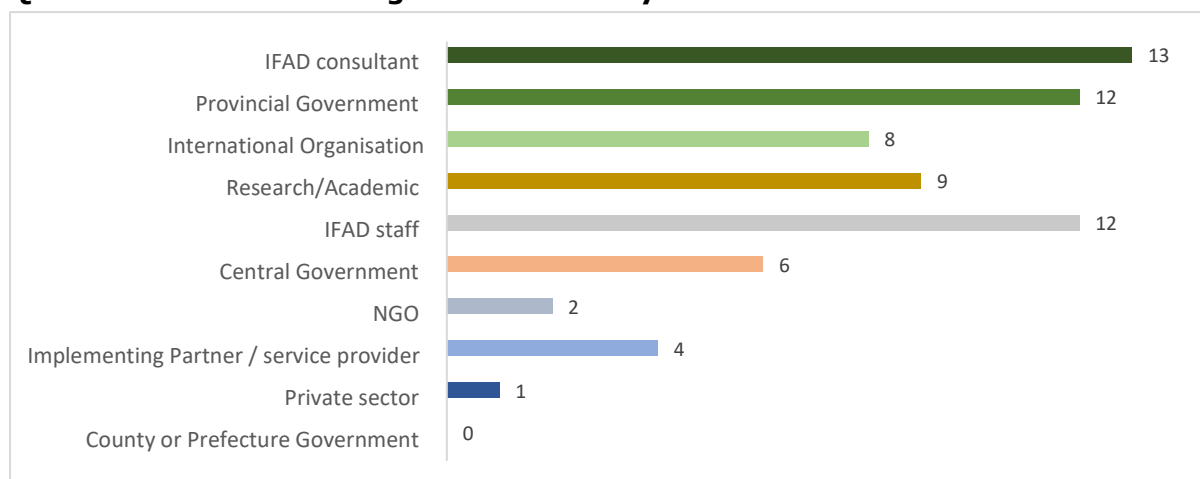
## Key results of online stakeholder survey

Table 2

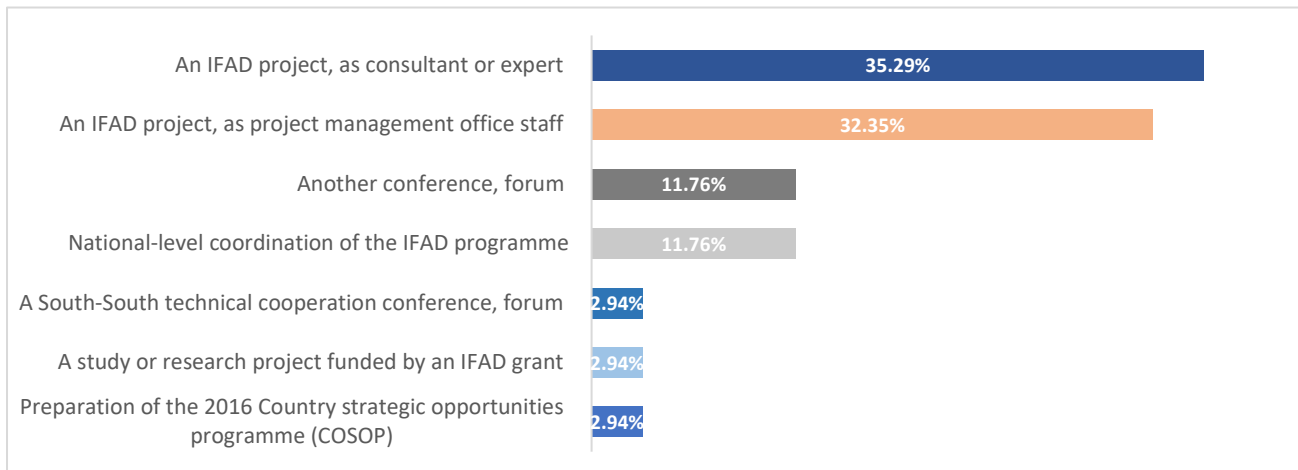
### Key findings of online stakeholder survey

| Topic   | Strong agreement   | Strong disagreement  |
|---|--|--|
| <b>IFAD strengths and achievements</b>        | IFAD produces and disseminates relevant knowledge and information on themes such as poverty reduction, food security, agriculture, and rural youth | IFAD, through national-level policy engagement, promotes an active role for smallholders in China  |
|   | IFAD brings in strong expertise in pro-poor value chains   | IFAD knowledge products such as thematic studies and policy notes have been widely circulated among researchers, academic staff and policy audiences |
|   | IFAD has built solid partnerships both at the national and local levels  | Smallholder farmers have significantly increased the use of environmentally sustainable practices as a consequence of IFAD-funded interventions      |
| <b>Efficiency and programme design issues</b> | Provincial and county governments were actively involved in programme design to ensure government priorities were included                         | Delays in mobilizing IFAD financing contributed to weak efficiency   |
|   | Financing technical assistance on climate change adaptation provides good value for money  | Lengthy inspection processes by the government had a negative effect on disbursement funds   |
| <b>Issues to be resolved</b>                  | Slow programme start-up negatively affects implementation  | At the county level, coordination mechanisms are too weak to ensure effective implementation   |
|   | IFAD's project documents are too long  | IFAD's environmental and social safeguards are difficult to conform with   |

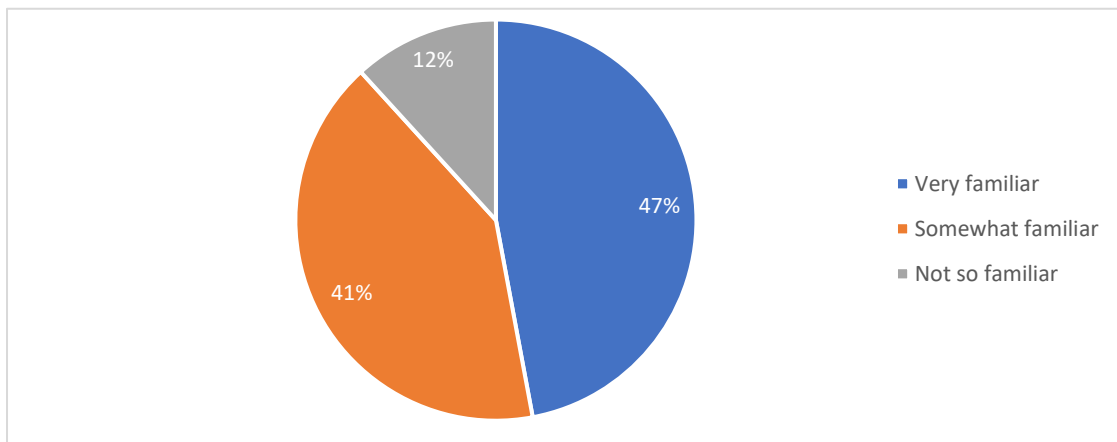
### Q1. Which of the following best describes your work status?



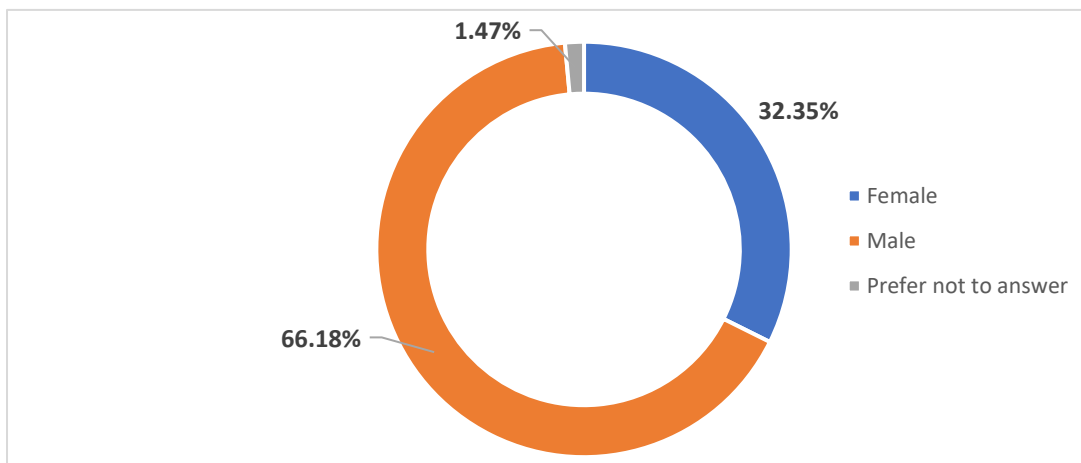
**Q2. During the period 2014-2021, which IFAD activities did you participate in?**



**Q3. How would you describe your familiarity with IFAD’s programme in China?**

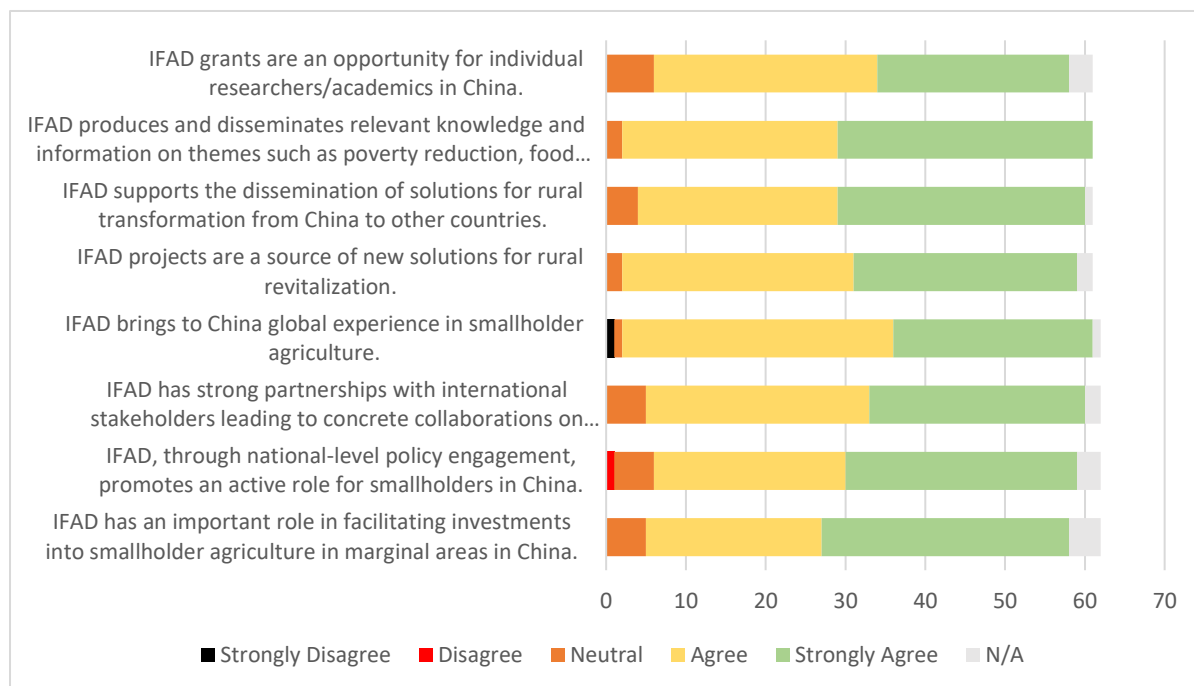


**Q4. Gender**



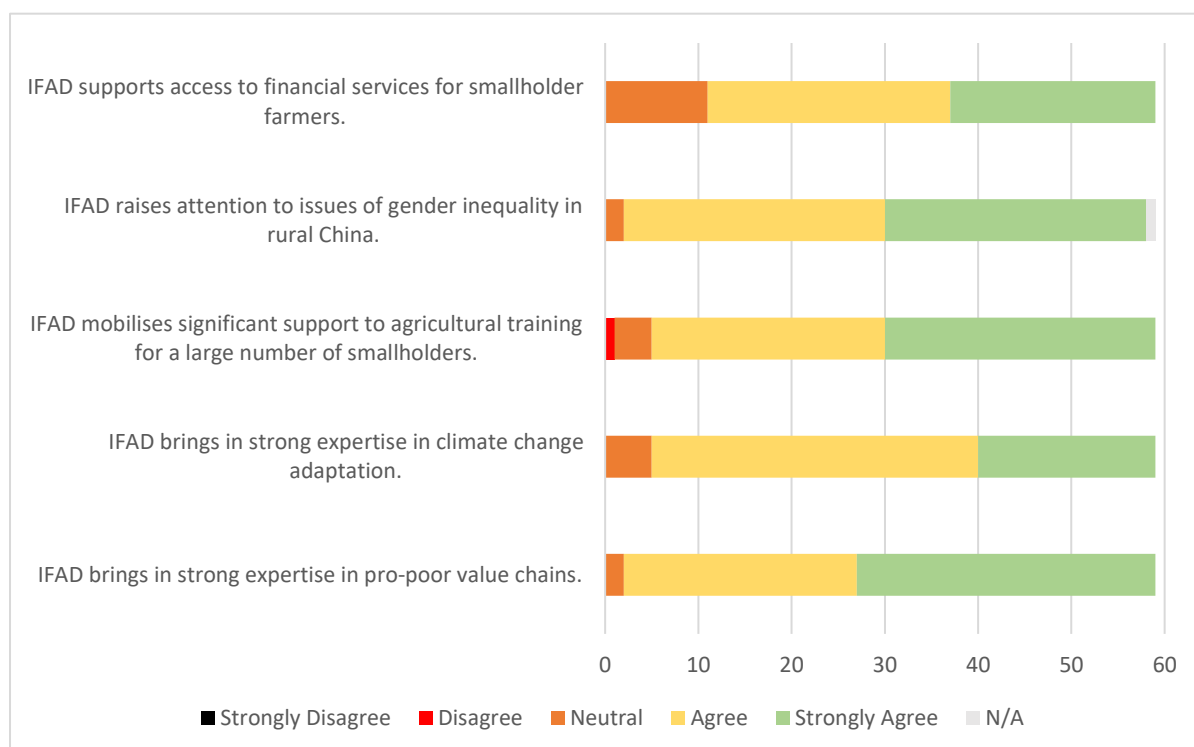
### Q5. IFAD’S ROLE AND COMPARATIVE ADVANTAGE IN CHINA

Please indicate the extent to which you agree or disagree with the following statements: [rate using a scale of 5: 1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree; 6= N.A]



### Q6. IFAD’S AREAS OF TECHNICAL STRENGTHS

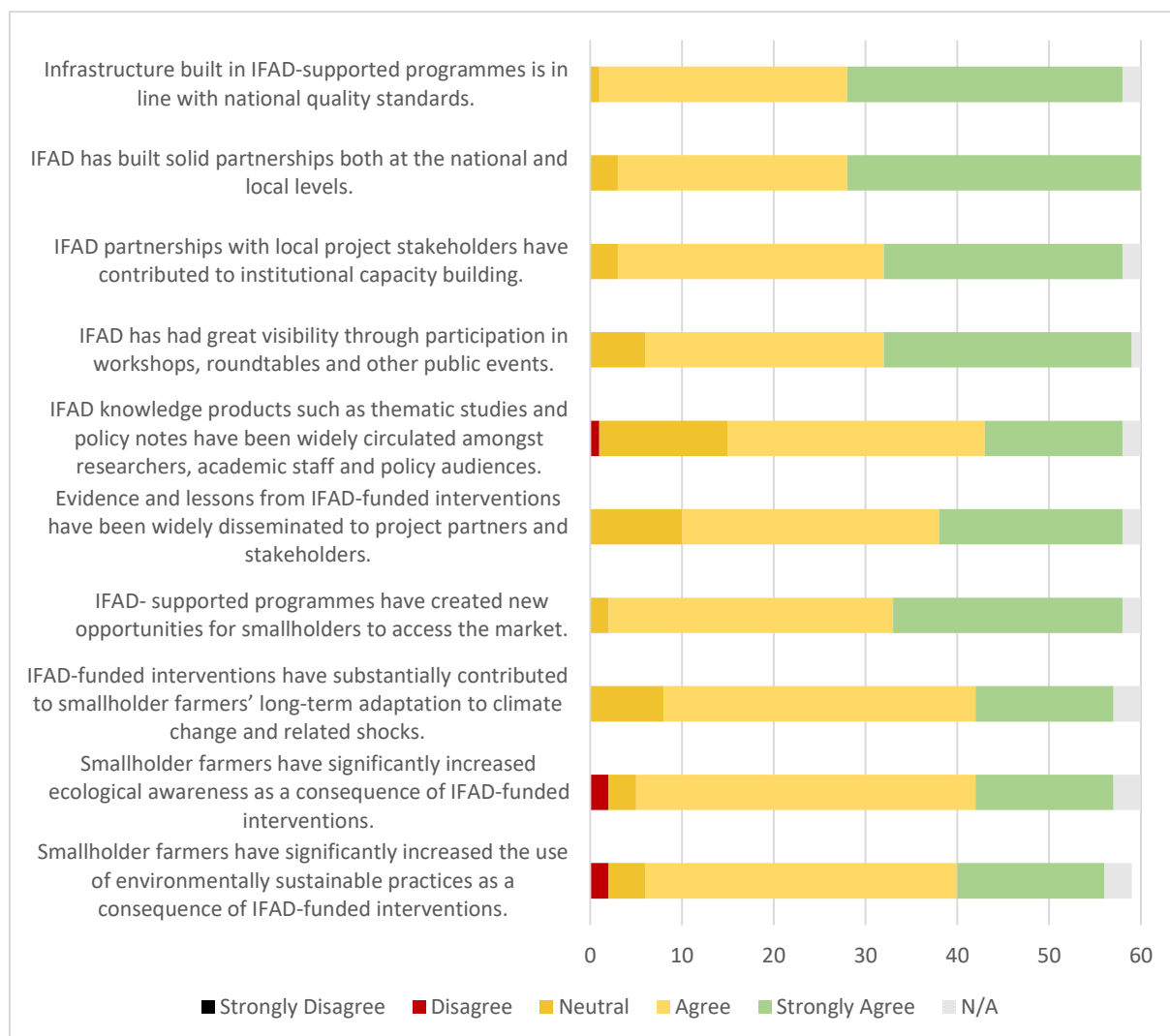
Please indicate the extent to which you agree or disagree with the following statements: [rate using a scale of 5: 1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree; 6= N.A]





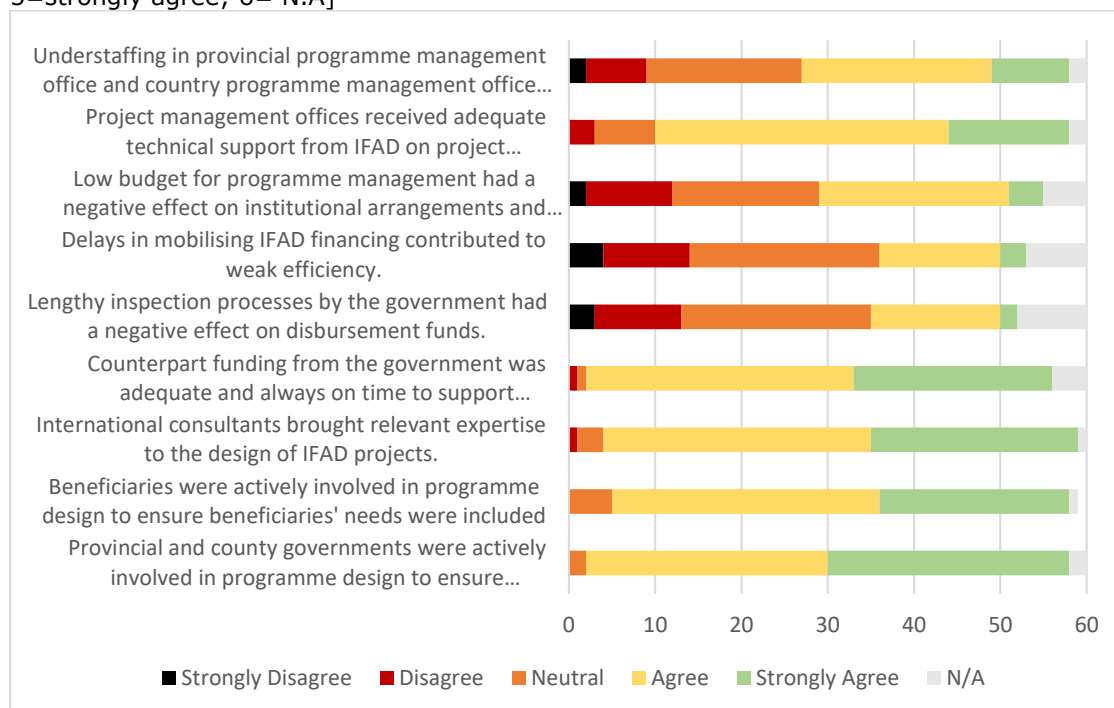
### Q7. PROGRAMME EFFECTIVENESS

Please indicate the extent to which you agree or disagree with the following statements: [rate using a scale of 5: 1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree; 6= N.A]



### Q8. IFAD PROGRAMME DESIGN AND IMPLEMENTATION

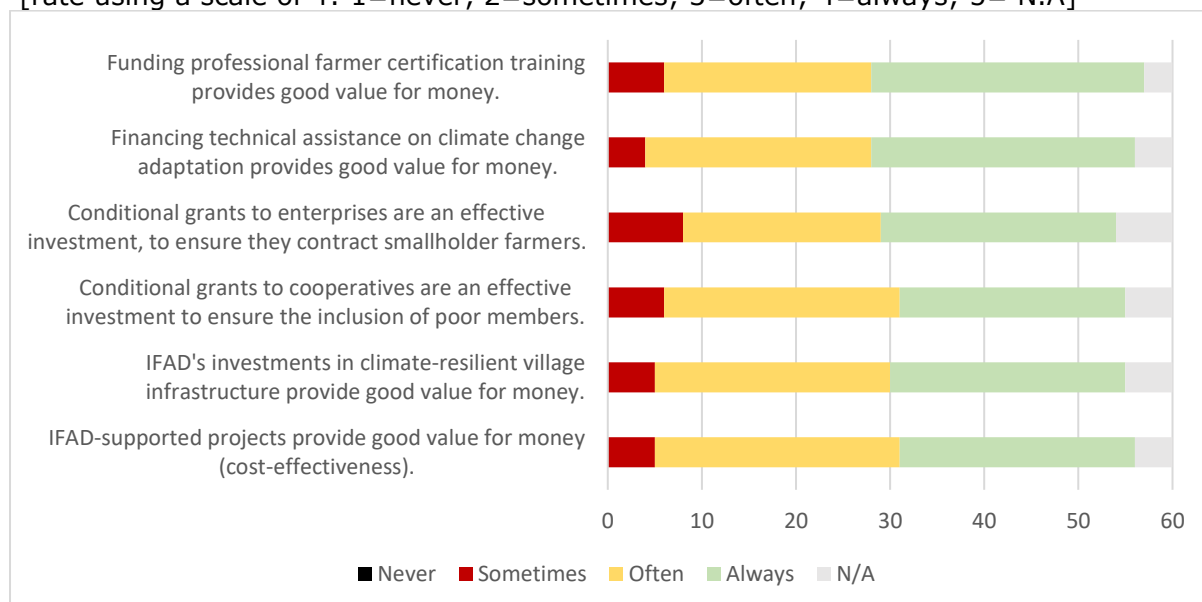
Please indicate the extent to which you agree or disagree with the following statements: [rate using a scale of 5: 1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree; 6= N.A]



### Q9. VALUE FOR MONEY

Please indicate how often you found the following issues:

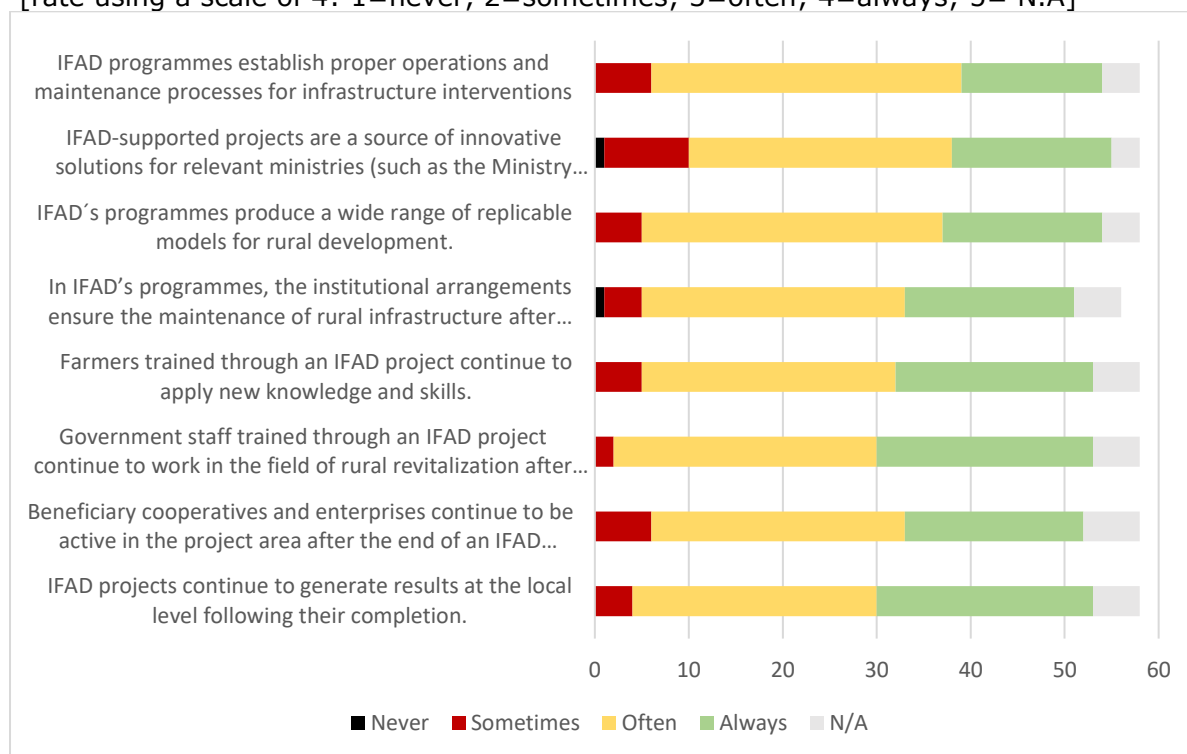
[rate using a scale of 4: 1=never, 2=sometimes; 3=often; 4=always; 5= N.A]



### Q10. SUSTAINABILITY AND SCALING UP

Please indicate how often you found the following issues:

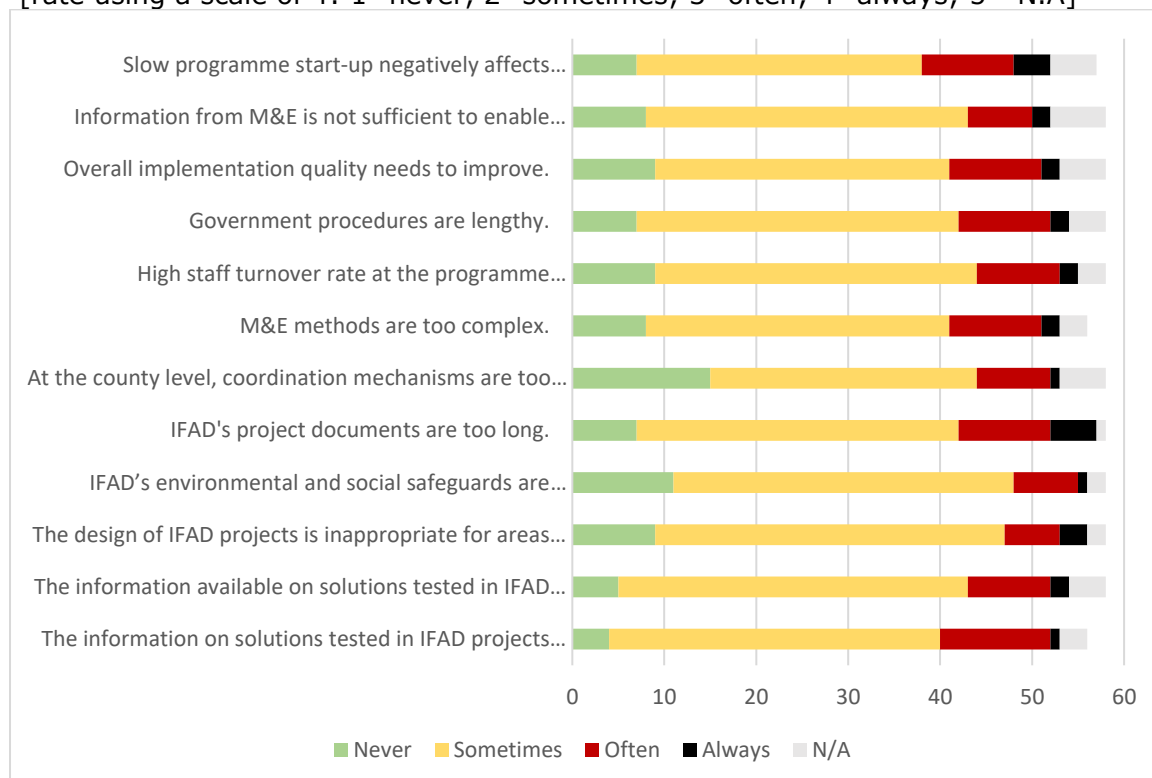
[rate using a scale of 4: 1=never, 2=sometimes; 3=often; 4=always; 5= N.A]



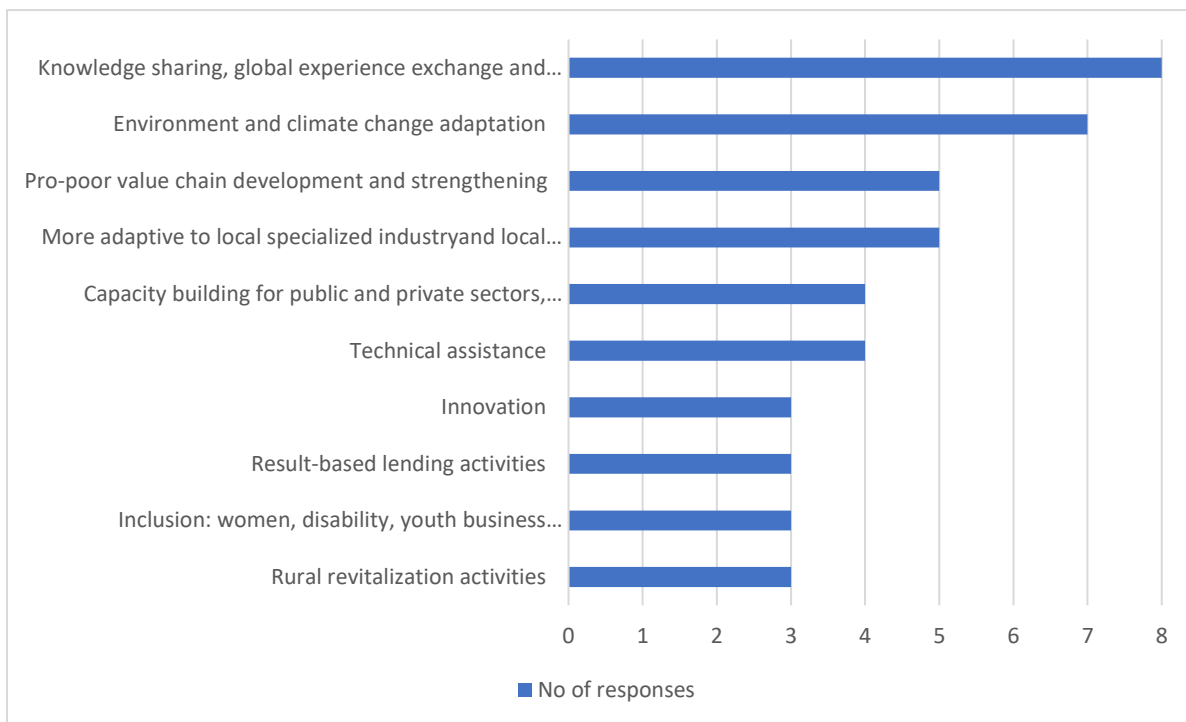
### Q11. ISSUES THAT SHOULD BE RESOLVED

Please indicate how often you found the following issues:

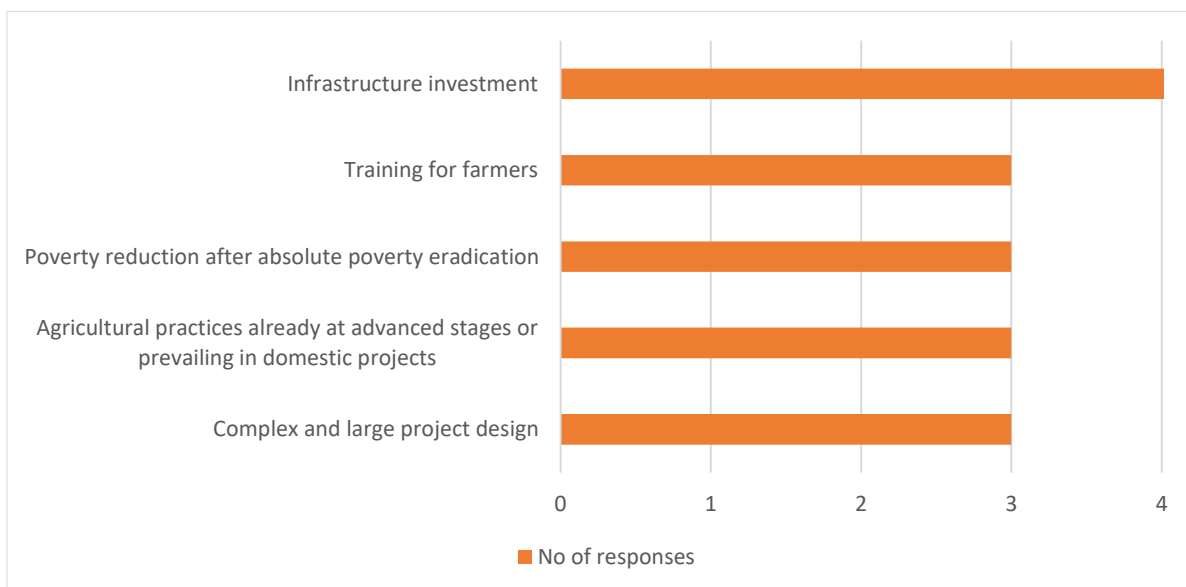
[rate using a scale of 4: 1=never, 2=sometimes; 3=often; 4=always; 5= N.A]



**Q12. What should IFAD do more under the new country strategy?**



**Q13. What should IFAD do less under the new country strategy?**



## COSOP recommendations follow up

| Recommendation (CPE 2014)   | Follow up   |
|---|---|
| <p><b>Targeting in a changed rural context.</b></p> <p>Careful consideration should be given to the selection of provinces, counties and villages for future IFAD-supported programmes. They should be relevant to both IFAD's corporate policy on targeting and government priorities in relation to rural poverty reduction. Particular attention should be devoted to <b>villages with high poverty rates and production potential</b> where <b>young people</b> are willing to engage in farming as a business. The targeting strategy should also include continuing support for integrating <b>ethnic minorities</b> living in remote mountain and forest areas with mainstream markets.</p>  | <p><b>Fully implemented</b></p> <p>COSOP 2016 defined as target groups “women, rural youth that want to make farming a business, even not below poverty line; and ethnic minorities, regardless of their poverty status”.</p> <p>COSOP 2016 projects had greater focus on mountain areas in Western provinces. Nationally designated poor counties accounted for 69 and 80 per cent in the completed projects and on-going projects, respectively.</p> <p>Under the 2016 COSOP projects used the LGOP database on registered poor households. Youth and ethnic minorities were adequately targeted.</p>   |
| <p><b>Strengthen knowledge cooperation.</b></p> <p>The future IFAD-supported country strategy and activities should continue to include <b>knowledge cooperation as a specific objective</b>. To ensure the likelihood of success, IFAD should maintain an <b>adequate lending programme in China to promote learning and knowledge and enable the identification of good practices in promoting poverty reduction in remote rural areas</b>. The human and financial resources to be allocated to knowledge sharing need to be clearly specified, especially with regard to the administrative budget, in order to satisfactorily achieve this key objective.</p>  | <p><b>Partly implemented</b></p> <p>The 2016 COSOP included the knowledge management as a strategic thread. The COSOP included an extensive list of proposed KM activities, but they were not implemented as planned.</p> <p>Resources were insufficient. Grant support was limited and there were no additional human resources for KM.</p> <p>IFAD knowledge management was capital-based; there were no links between lending and non-lending activities. Projects hired their own consultants to for M&amp;E and dissemination of good practices. Main KM achievements for the review period were activity-based and related to ICO's partnerships with media and social media.</p> |
| <p><b>Sharpen focus on scaling up impact.</b></p> <p>The scaling up of projects beyond China's individual counties and provinces/regions by others (e.g. national Government, donors and the private sector) should represent a priority for the future. This will require the <b>cooperation of IFAD and the Government of China (at the central and provincial levels)</b> to:</p> <p>(i) dedicate resources to <b>non-lending activities</b> (knowledge management, partnerships and policy dialogue);</p> <p>and (ii) ensure that objectives relating to <b>scaling up</b> are clearly specified in the COSOP and included in project design, and that progress is assessed and reported in all supervision, midterm review and project completion reports.</p> | <p><b>Partly implemented</b></p> <p>The 2016 COSOP included a strategy for scaling up, but it was not fully implemented.</p> <p>Limited involvement of central government partners remains a bottleneck for scaling up. Only two out of four 2016 COSOP projects had a central government agency (MARA) include for technical oversight.</p> <p>The non-lending-activities did not support scaling up. Sharing of project lessons mainly happened within provinces or between provinces (e.g. through study tours).</p>   |
| <p><b>Promote South-South and triangular cooperation.</b></p> <p>IFAD should continue to facilitate South-South and triangular cooperation between China and other Member States. The CPE further recommends that IFAD Management, in consultation with the Government of China, explore opportunities to establish a <b>dedicated facility</b> for such cooperation within IFAD.</p>   | <p><b>Partly implemented</b></p> <p>In 2018, IFAD established one of the three SSTC and Knowledge Centres in Beijing. The China Country Director, based in Beijing, is also the head of the SSTC and Knowledge centre. The role of the centre has not been defined and there were no additional human or financial resources added.</p> <p>IFAD has established a dedicated facility for SSTC, funded by the Government of China, in Rome, but the activities are not specifically related to the China programme. The Rural</p>  |

Solutions Portal did not report lessons from the China Programme.

Since 2019, a regional SSTC manager has been outposted in Beijing; she is currently reporting to IFAD ERG in Rome. The links with the China programme are unclear.

#### **Strengthen partnership with the Government of China and other in-country stakeholders.**

Future country strategy and operations should ensure a strengthened **partnership with other relevant government institutions at the national level**. Opportunities for greater involvement of the **private sector**, as well as **academic and research institutions**, should be proactively explored. The development of partnerships with international organizations – in particular the Asian Development Bank, Food and Agriculture Organization of the United Nations and World Bank – should be a priority.

#### **Partly implemented**

IFAD did not establish a working relationship with LGOP/NARR at national level, despite its being a development partner actively contributed to the government's poverty eradication effort and implementation of the rural revitalization strategy.

IFAD collaborates with UN Women. There is no formalised partnerships with other RBAs or IFIs (with the exception of AIIB for SSTC).

Research institutions acted as beneficiaries (grantees) only, undertaking relevant policy-oriented activities and also in brokering between IFAD and the Government and other stakeholders. Linkages with the private sector and civil society organisations (CSOs) were limited.

#### **Enhance IFAD presence and capacity in country, including out-posting the China country programme manager.**

The country office's capacity and resources should be strengthened to adequately support project work and nonlending activities, such as knowledge management and policy dialogue, as well as South-South and triangular cooperation. The CPE recommends that the China country programme manager be outposted from Rome to Beijing by the end of 2015.

#### **Fully implemented**

Host country agreement was signed in 2017, County Director outposted since 2018.

ICO became SSTC and Knowledge Centre in 2019.

## List of key persons met

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#### P.R. China Representation to UN Agencies for Food and Agriculture in Rome

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