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الاستثمار في السكان الريفيين

جمهورية الصين الشعبية
برنامج التخفيف من وطأة الفقر والحفاظ على البيئة في ننكسيا وشانكسي
تقييم أداء المشروع

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لجنة التقييم – الدورة الثانية والتسعون
روما، 21 يونيو/حزيران 2016

للاستعراض

المحتويات

معادلات العملة، الأوزان والمقاييس

معادل العملة

العملة = يوان صيني

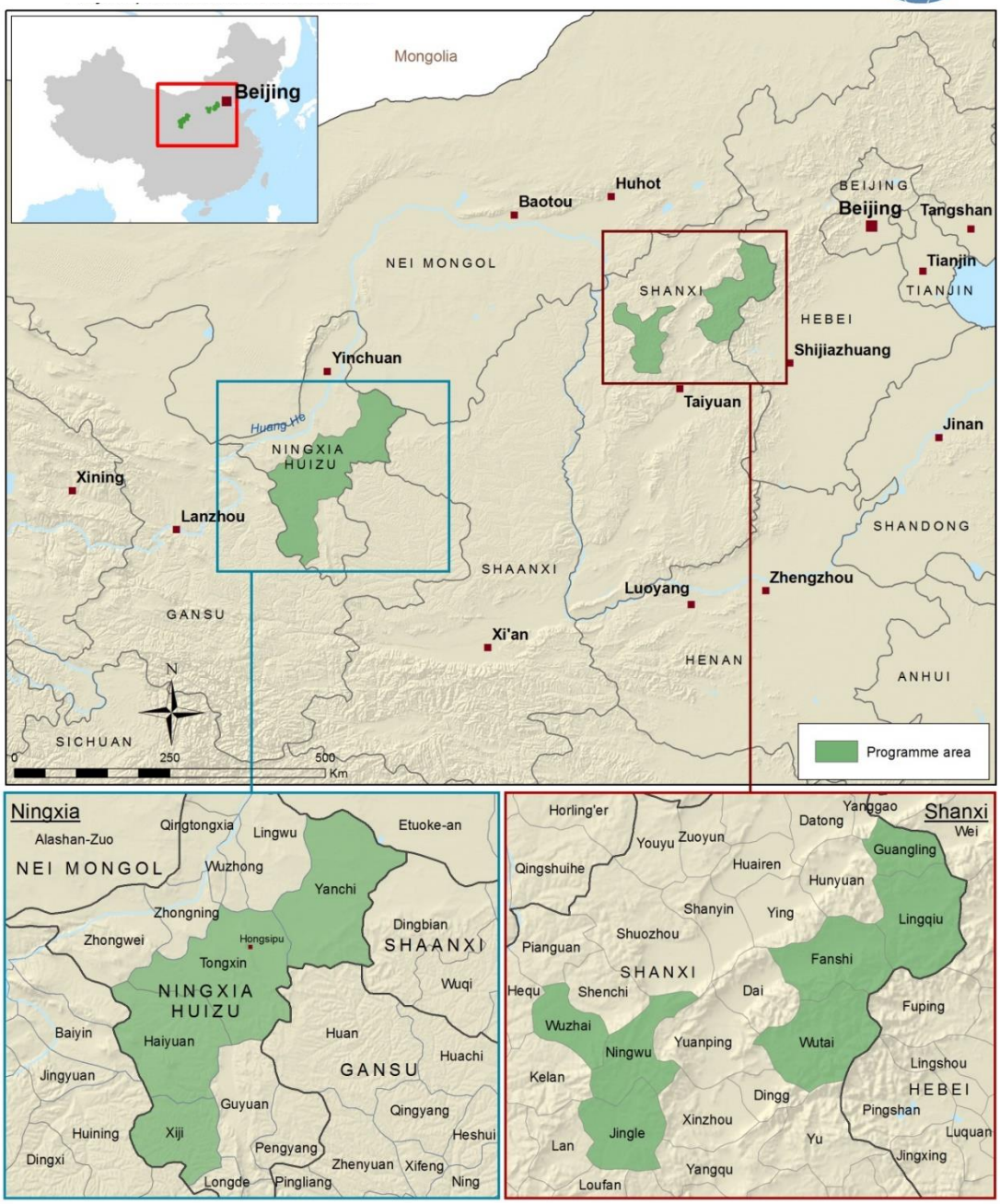
1 دولار أمريكي = 6.247 يوان صيني (سعر التحويل في فبراير/شباط 2015)

خريطة منطقة البرنامج

الصين

برنامج التخفيف من وطأة الفقر والحفاظ على البيئة في ننكسيا وشانكسي

تقييم أداء المشروع



إن التسميات المستخدمة وطريقة عرض المواد في هذه الخريطة لا تعني التعبير عن أي رأي كان من جانب الصندوق فيما يتعلق بترسيم الحدود أو التخوم أو السلطات المختصة بها.

المصدر: الصندوق الدولي للتنمية الزراعية: 08-07-2015

شكر وتقدير

أجرت Johanna Pennarz، موظفة التقييم الرئيسية لمكتب التقييم المستقل في الصندوق، تقييم أداء المشروع هذا بالتعاون مع الخبير الاستشاري الأقدم Alan Piazza (اقتصادي ومتخصص في التخفيف من وطأة الفقر). وقدم Nicholas Bourguignon (محلل بحوث تقييمات مكتب التقييم المستقل) إسهامات قيّمة للتحليل.

مستعرض الأقران: قدمت Mona Bishay، خبير استشاري و Ashwani K. Muthoo، نائب مدير مكتب التقييم المستقل تعليقات على مشروع التقرير. ووفرت Maria Spangolo و Shaun Ryan، مساعدا تقييم، الدعم الإداري.

ويعرب مكتب التقييم المستقل عن امتنانه لوزير المالية لجمهورية الصين الشعبية ومكاتب الصندوق الدولي للتنمية الزراعية في آسيا والمحيط الهادئ لتعاونهم ودعمهم، والتعليقات القيّمة التي قُدمت أثناء عملية التقييم.

الموجز التنفيذي

1- اضطلع مكتب التقييم المستقل في الصندوق بتقييم أداء مشروع برنامج التخفيف من وطأة الفقر والحفاظ على البيئة في ننكسيا وشانكسي في جمهورية الصين الشعبية بهدف تحقيق الأهداف التالية: (1) تقييم نتائج البرنامج؛ (2) استخراج نتائج وتوصيات من أجل تصميم وتنفيذ العمليات الجارية والمستقبلية في الصين. ونُفذ تقييم أداء المشروع في إطار إعلان النوايا المشترك بين مكتب التقييم المستقل وحكومة الصين لدعم قدرات التقييم في البلدان، ويعمل كمثال عملي على التعلم وتنمية القدرات.

2- وكان الهدف من البرنامج "استئصال الفقر بطريقة مستدامة وعادلة لنحو 000 300 أسرة من الأسر الريفية المعرضة للمخاطر والتي تعيش في ظروف بيئية تتعرض الموارد الطبيعية فيها للتدهور." كما أن للبرنامج غرضا واحدا، تم تنقيحه في استعراض منتصف المدة وهو: "استئصال الفقر بطريقة مستدامة وعادلة للجنسين في مناطق البرنامج المعرضة للمخاطر". وكانت عناصر البرنامج الأربعة كما يلي: (1) الأنشطة القائمة على الأراضي؛ (2) الخدمات المالية؛ (3) التنمية الاجتماعية؛ (4) والإدارة. ومن إجمالي تكاليف البرنامج التي تبلغ 100.3 مليون دولار أمريكي، مولته الحكومة بمبلغ 46.8 مليون دولار أمريكي، أي 46.7 في المائة، والصندوق بمبلغ 33.8 مليون دولار أمريكي، أي 34 في المائة، والمستفيدين بمبلغ 13 مليون دولار أمريكي، أي 13 في المائة. وتلقى البرنامج مبلغ 6.7 مليون دولار أمريكي مشاركة في التمويل من برنامج الأغذية العالمي. وأُنفق ما يقرب من 61 في المائة من تكاليف البرنامج في الأنشطة القائمة على الأراضي.

3- وتقع منطقة البرنامج في الأجزاء الوسطى والجنوبية الفقيرة من منطقة هوي ننكسيا المتمتعة بالحكم الذاتي والمنطقة الشمالية من إقليم شانكسي، اللتين تقعان على الهضبة الطفلية بالصين، وهي بيئة طبيعية هشة تتأثر بسقوط الأمطار المتقلب والتدهور الشديد للتربة. ويغطي البرنامج منطقة جغرافية واسعة، تشمل 12 بلدية ويستهدف 000 310 أسرة معيشية ريفية. وتتضمن ذلك جزءا كبيرا من أقليات هوي الإثنية (المسلمة) في ثلاثة بلديات في ننكسيا. وتم تصميم البرنامج وتنفيذه بالتعاون مع برنامج الأغذية العالمي، الذي تواجد في الصين حتى عام 2005.

4- **فجوة الفعالية.** تمثلت إحدى السمات البارزة لهذا البرنامج في الفترة الزمنية التي تبلغ 12 عاما بين تصميمه وإتمامه. فقد قُيم البرنامج في 2001، وتمت الموافقة عليه في ديسمبر/كانون الأول 2002 وتم التوقيع على القرض في فبراير/شباط 2003. ومع ذلك، لم يصبح البرنامج فعالا إلا في فبراير/شباط 2005 بعد أن انتقلت المسؤولية عن قيادة البرنامج من وزارة الزراعة إلى وزارة المالية. واستُكملت الأنشطة الممولة من برنامج الأغذية العالمي، التي بدأت بالفعل في سبتمبر/أيلول 2002، بنهاية عام 2005. وبحلول موعد استعراض منتصف المدة في عام 2008، فقد مفهوم ونهج البرنامج أهميتهما بشكل كبير بسبب هذه الفترة الزمنية. فقد أصبحت بعض الأنشطة – وخاصة تلك التي تتعلق بالتنمية الاجتماعية – زائدة عن الحاجة نتيجة زيادة التمويل الحكومي على الصحة والتعليم. وأتاح استعراض منتصف المدة فرصة لتعديل أنشطة البرنامج في حدود الميزانية القائمة واتفاقية التمويل. وانخفضت الاستثمارات في البنية التحتية الاجتماعية وازدادت الأنشطة القائمة على الأراضي بناء على طلب الحكومة.

5- **نهج متعدد القطاعات.** اتبع البرنامج نهجا متعدد القطاعات لمعالجة أسباب الفقر المتعددة؛ وكان هذا النهج معقدا وصعبا للغاية بالنسبة للموظفين الميدانيين. فقد تطلب تنسيق خطط العمل والأنشطة عبر عدد كبير من الإدارات والمكاتب عملا كثيرا بالنظر إلى القدرات القائمة. ولاحقا، أصبح التبرير الأصلي للنهج المتعدد القطاعات ضعيفا للغاية: فقد أدى برنامج الحكومة للتعليم الأساسي الشامل الممول جيدا، وخطط التأمين الصحي، وتقاعد الأراضي وغيرها من إجراءات حفظ البيئة إلى تحويل المناظر الطبيعية الريفية بنهاية العقد.

6- **الأهمية.** في مرحلة التصميم، كان هدف البرنامج المتمثل في استئصال الفقر بطريقة مستدامة وعادلة – والنهج متعدد القطاعات للحد من الفقر على مستوى القرى – يتطابق بدرجة كبيرة مع محور اهتمام برنامج الحكومة لاستئصال الفقر في المناطق الريفية لعام 2003. واستفاد تصميم البرنامج بشكل كبير من التعاون مع برنامج الأغذية العالمي، وخاصة فيما يتعلق بالتركيز على الفقر. ولكن بحلول موعد استعراض منتصف المدة، أصبح مفهوم برنامج التخفيف من وطأة الفقر والحفاظ على البيئة في ننكسيا وشانكسي وتصميمه قديمين نتيجة للتأخيرات الكبيرة. وبدا نهج استعراض منتصف المدة في تعديل التصميم بإضافة أنشطة أكثر صلة وإقصاء تلك التي لم تعد هناك حاجة إليها مجزأ بالنظر إلى التغيرات الهائلة في عمليات استئصال الفقر في المناطق الريفية والحفاظ على البيئة أثناء هذا العقد.

7- **نطاق البرنامج.** شمل البرنامج منطقة كبيرة لدرجة أن الميزانية المتاحة والأنشطة وزعت على مجموعة كبيرة من القرى. وانتقص هذا الاتساع الجغرافي من فعالية البرنامج. وأصبح تنظيم التوعية والمشاركة على مستوى القرى تحديا إداريا، خاصة في شانكسي، حيث شمل البرنامج عددا أكبر من القرى. ولم يستفد سوى القليل من المجتمعات من مجموعة شاملة من التدخلات، ولم تتم تغطية العديد من القرى إلا من خلال التدريب. وكان الإشراف على برنامج منتشر في هذه المساحة الواسعة مستنفدا للوقت ومرهقا. فبدون آلية تنسيق مركزية لضمان الأداء المتسق والتعلم المشترك، شمل البرنامج بالضرورة تدخلين موازيين في الإقليمين.

8- **استهداف الفقر.** كان اختيار المنطقة المستهدفة والتركيز على الفقراء الريفيين والأقليات الإثنية أمرا هاما. واعتمد الاستهداف الجغرافي للفقر بشكل كبير على التحليل المتين للفقر الذي جرى في مرحلة التصميم، والذي تضمن خط أساس يستند إلى مجموعة شاملة من المؤشرات الاجتماعية الاقتصادية وحدد الأسباب الرئيسية للفقر. وتم اختيار مزيج التدخلات للتغلب على الأسباب المتعددة للفقر في بيئة هشة. واستجاب الدعم المقدم من برنامج الأغذية العالمي لأولويات المجتمعات بشأن التنمية الاجتماعية. وتضمنت الأولويات المتناولة من خلال دعم الصندوق الحصول على محاصيل غذائية جديدة (شانكسي) والقروض للثروة الحيوانية (ننكسيا).

9- **النهج التشاركي.** كان من المتوقع أن يكون النهج التشاركي هو الأداة الرئيسية للملكية الفعلية بواسطة المجموعة المستهدفة. فعلى المستوى الشعبي، كان من المتصور أن الخطط التشاركية للتنمية الريفية ستدمج الأنشطة والاستثمارات في نهج شامل لاستئصال الفقر تمتلكه المجتمعات. غير أن الصندوق قدر الجهود اللازمة للتغلب على العقبات المؤسساتية للمشاركة الواسعة للسكان الفقراء والمجموعات المهمشة في الصين بأقل من حجمها. وفي الواقع، لم يربط البرنامج أبدا الخطط التشاركية مع خطط العمل السنوية والميزانيات التي تعدها الوكالات المنفذة المختلفة. وبعد عام 2008، تخلى البرنامج عن أية محاولات لاتباع نهج

التخطيط التشاركي. وبالإضافة إلى ذلك، لم تكن هناك متابعة بشأن تعزيز التطوير التكنولوجي القائم على المشاركة.

10- **الرصد والتقييم**. أبدى موظفو إدارة البرنامج درجة عالية من الالتزام لتنفيذ نظام شامل للرصد والتقييم؛ وكان لدى الإقليمين موظفين مخصصين للرصد والتقييم. وتمثلت القيود الرئيسية لنظام الرصد والتقييم فيما يلي: (1) كان النظام غير محسوب، بجانب أشكال ورقية جمعتها المكاتب الإقليمية لإدارة البرنامج؛ (2) ولم يسمح النظام بفحص البيانات الواردة من الوكالات المنفذة وعلى مستوى القرى. وقد أُجريت دراسات أساسية في الإقليمين، ولكن لم تُكرر في إتمام البرنامج نظرا لأن البرنامج انتقل إلى نظام إدارة النتائج والأثر الخاص بالصندوق. ورأت مكاتب إدارة البرنامج نظام إدارة النتائج والأثر مشكلة أخرى أدت إلى تقويض وظيفة نظام الرصد والتقييم. والأهم هو أن مؤشرات نظام إدارة النتائج والأثر لم تكن متواءمة مع نظام الحكومة للرصد ولم يوفر أية معلومات مفيدة لقياس تأثر البرنامج.

11- **الفعالية**. على الرغم من التنفيذ الجيد للبرنامج، فإنه كان من الممكن أن يكون أكثر فعالية لو كان قد تم تنفيذه في فترة زمنية أقصر وانصب تركيزه على عدد أقل من المجتمعات المحلية. وقد كان التأخير الكبير في بدء الدعم المقدم من الصندوق عاملا رئيسيا في انخفاض الفعالية. فالتدخلات لم تتتابع كما هو مخطط لها والأنشطة لم تُنفذ بشكل متكامل. فعلى سبيل المثال، لم يبدأ البرنامج في أعمال التخطيط وبناء القدرات القائمة على المشاركة إلا بعد بناء البنية التحتية للمجتمعات المحلية.

12- وقد أدت التغطية المحدودة للبرنامج إلى زيادة انخفاض فعاليته. فمع تلقي عدد قليل فقط من المجتمعات المحلية لحزمة شاملة من التدخلات، لم يسهم البرنامج في مواجهة المسببات الرئيسية للفقر إلا بقدر متواضع. فمثلا، لم تكن الأنشطة القائمة على الأراضي فعالة إلا في العدد القليل من القرى التي تركز فيها الدعم. وقد كان مدى الوصول والتغطية الإجمالية للمكون المالي غير كاف، خاصة في شانكسي. وقد كان مكونا الصحة والتعليم الفرعيان الأكثر فعالية، ويرجع ذلك في الأساس إلى البنية التحتية التي وفرها من قبل الدعم المقدم من برنامج الأغذية العالمي ووصولها إلى مناطق أوسع.

13- **الكفاءة**. كان للمدة الزمنية الطويلة جدا التي استغرقها البرنامج أثر سلبي على الكفاءة نظرا للتغير الكبير الذي طرأ على بارامترات التنفيذ بمرور الزمن. وقد غطت المدة ثلاث مجموعات مختلفة من المبادئ التوجيهية والإجراءات وترتيبات الإشراف (بدءا ببرنامج الأغذية العالمي ومرورا بمكتب الأمم المتحدة لخدمات المشاريع ووصولا إلى الصندوق). وقد تسببت التغيرات في القيادة والموظفين في حدوث اختلالات كما أدى التغير الكبير في أسعار الوحدات في الفترة من 2000 إلى 2012 إلى حدوث مشاكل لأنشطة التخطيط للمشاريع وتنفيذها. وفي النهاية، كانت عمليات سداد النفقات الخاصة بمكونات مثل الخدمات المالية وغرس الأشجار والنهوض بالمرأة بطيئة، مما أدى إلى تأخير في التنفيذ.

14- **الأثر على الفقر الريفي**. تشير البيانات المتاحة وتعقيبات المستفيدين أثناء الزيارات الميدانية لتقييم أداء البرنامج إلى أن القيمة المضافة الرئيسية للبرنامج تمثلت في التدريب المقدم والذي لبى الطلب القائم. وأوضح تحليل الاختلافات في تقييم أداء البرنامج أن أثر البرنامج خلال هذه الفترة على الفقر لم يكن كبيرا – ويرجع ذلك في الأساس إلى أن الدعم الحكومي للقرى غير المشمولة بالبرنامج قارب أو ربما تجاوز استثمارات الصندوق في منطقة البرنامج. وعلاوة على ذلك، تشير البيانات الرسمية إلى أن التحسينات في

مؤشرات التنمية البشرية (مثل الصحة والتعليم) في منطقة البرنامج كانت مسايرة للاتجاهات العامة في هذه المقاطعات. وقد انخفض أثر الأنشطة القائمة على الأراضي الممولة من الصندوق لأنها وصلت إلى الأسر المعيشية للبرنامج بعد وقت طويل من الأشكال الأخرى للدعم الحكومي وفي مرحلة متأخرة من العملية التحويلية للهضبة الطفلية فيما يتعلق بالأمن الغذائي والإنتاجية الزراعية. وقدمت أنشطة برنامج التخفيف من وطأة الفقر والحفاظ على البيئة في ننكسيا وشانكسي مساهمة كبيرة في حفظ البيئة في منطقة البرنامج، بيد أن البرامج الحكومية مثل تقاعد الأراضي وحظر الرعي وإعادة التحريج وغيرها من برامج حماية البيئة كان لها الدور الأساسي في الاستعادة البيئية الكبيرة للهضبة الطفلية.

15- **المساواة بين الجنسين.** نجح البرنامج في تشجيع مشاركة النساء في أنشطته. وجدير بالذكر أن النتائج المتعلقة بالمساواة بين الجنسين وتمكين المرأة لم تتحقق إلا في عدد صغير من القرى، خاصة في ننكسيا. وقد تحقق بشكل جيد الحصول على القروض بالغة الصغر والتدريب، وهو ما يبدو أنه زاد من ثقة نساء الأقليات الإثنية. ومع ذلك، كان بإمكان البرنامج تحقيق أثر أكبر لو كانت هناك استراتيجية لمعالجة القضايا المحددة التي تواجهها نساء الأقليات العرقية.

16- **الأثر على المؤسسات.** كان أثر البرنامج على المؤسسات المحلية يكاد لا يُذكر، ويرجع ذلك بشكل أساسي إلى أنه لم يُوفر الدعم التقني المطلوب لتعزيز الممارسات الجيدة وتيسير الروابط المؤسسية الفعالة، خاصة تلك المتعلقة بالمشاركة والائتمانات والتعاونيات الريفية. ومن الدروس الهامة هي أنه بدون التوفير الدائم للخبرات المتخصصة الكافية خلال مهام الإشراف العديدة، لن يكون بوسع الصندوق تغيير العقليات وبناء القدرات المؤسسية المحلية.

17- **الشراكات.** نتجت بعض العناصر الناجحة من تصميم البرنامج عن شراكة بين الصندوق وبرنامج الأغذية العالمي، مثل استهداف البلديات والقرى الأكثر فقرا. ونظرا للحضور القطري المحدود للصندوق، كان يمكن أن يستفيد البرنامج استفادة كبيرة من الروابط مع المبادرات المماثلة في المنطقة التي تدعمها جهات مانحة مثل البنك الدولي ووزارة المملكة المتحدة للتنمية الدولية. وكان بالإمكان الاستفادة من خبرات هذه المبادرات في تحسين عمليات الإشراف الخاصة ببرنامج التخفيف من وطأة الفقر والحفاظ على البيئة في ننكسيا وشانكسي.

18- **والخلاصة** هي أنه على الرغم من أن البرنامج حقق عددا من النتائج، فإنه فشل في تحقيق مراميه وأغراضه الأصلية. وعلى وجه الخصوص، لم يوفر البرنامج النُهج التحويلية أو الممارسات المبتكرة التي يمكن أن تنير الطريق أمام البرامج والسياسات الحكومية للحد من الفقر في المناطق الحساسة بيئيا. وسلط تحليل للعوامل التي حدت أهمية وفعالية وأثر برنامج التخفيف من وطأة الفقر والحفاظ على البيئة في ننكسيا وشانكسي الضوء على ضرورة مواكبة الصندوق للتنمية السريعة في الصين.

التوصيات

19- **الاستهداف.** *مواصلة التركيز على الفقر المزمن والأقليات الإثنية، ولكن مع وضع استراتيجيات أكثر تقدما لضمان استفادة الأشخاص الفقراء النشطين اقتصاديا.* ونظرا لتركيزه الخاص على صغار المزارعين والأقليات الإثنية، يعد الصندوق في وضع جيد لاستهداف الفقر المزمن في المناطق النائية والهشة

إيكولوجيا. وفي السياق الاجتماعي والاقتصادي سريع التغير، يتعين على الصندوق تعديل نهجه من أجل استهداف الفقراء الريفيين بالبناء على ما تم إنجازه بنجاح من قبل.

20- **الشراكات.** *يتعين على الصندوق الدخول بشكل أقوى في شراكات من أجل تحسين الأداء والأثر الواقع والتعلم من تجارب الشركاء.*

(أ) **ما بعد الإشراف على البرنامج.** *توفير مستويات كافية من الدعم التقني وربط شركاء البرنامج من أجل الدعم والتعلم المتبادلين.* ويجب أن يكون لدى الصندوق قدرات كافية على المستوى الميداني للمشاركة في حوار متواصل مع الشركاء على مستوى المقاطعات، وفريق كبير بما يكفي من المستشارين لحشد مدخلات المتخصصين عن الحاجة. وينبغي للصندوق فعل المزيد من أجل الحفاظ على الشراكات القائمة في البرامج السابقة، والتي يمكن أن تنير الطريق أمام المبادرات الجديدة والمستمرة.

(ب) **التعلم والمعرفة.** *إجراء استعراض ناقد وتقاسم الممارسات الجيدة من برنامج التخفيف من وطأة الفقر والحفاظ على البيئة في ننكسيا وشانكسي بالتعاون مع وزارة المالية ووزارة الزراعة ومكتب المجموعة القيادية لتخفيف الفقر وتحقيق التنمية التابع لمجلس الدولة.* وينبغي تشجيع وزارة المالية على توثيق واستعراض التجارب والممارسات الفريدة لبرنامج التخفيف من وطأة الفقر والحفاظ على البيئة في ننكسيا وشانكسي والمشاريع الأخرى بالتعاون مع وزارة الزراعة. وينبغي للصندوق أن يستعرض بعناية ويقيم الممارسات الجديدة قبل التوصية بتوسيع نطاقها.

(ج) **الشراكات الاستراتيجية.** *بناء شراكات استراتيجية من أجل: (1) ضمان الاتساق الاستراتيجي مع ما يقوم به الآخرون وتفادي الازدواجية في العمل؛ (2) تقاسم الممارسات الجيدة والتعلم مما تم إنجازه في أماكن أخرى؛ (3) والاستفادة من الخبرات المتخصصة.* وبعد سحب معظم الجهات المانحة الثنائية دعمها، أُتيحت للصندوق إلى جانب البنك الدولي فرصة فريدة كي يصبحا الصوت المؤثر في التحول المستدام في الزراعة، خاصة بالنسبة لصغار المزارعين والأقليات الإثنية.

21- **الرصد والتقييم.** *ينبغي لدائرة إدارة البرنامج: (1) أن تصمم مؤشرات أداء رئيسية ترتبط بمنطق التدخلات ويمكن رصدها وتقييمها على مستوى البرنامج؛ (2) أن تعتمد على نظم البيانات الوطنية؛ (3) أن تؤمن توفير بيانات موثوقة عند استكمال البرنامج.* وفي النهاية، ينبغي أن تضمن دائرة إدارة البرنامج أن تشتمل تقارير استكمال البرنامج على إحالات مرجعية إلى إحصاءات الحكومة وأن تقييم النتائج واقعي ومدعوم بالأدلة.

People's Republic of China

Environmental Conservation and Poverty-Reduction Programme in Ningxia and Shanxi

Project Performance Assessment

Annexes

I. Objectives, methodology and process

1. Background. The Independent Office of Evaluation of IFAD (IOE) undertakes project performance assessments (PPAs) for a selection of completed projects.[1] The Environment Conservation and Poverty Reduction Programme in Ningxia and Shanxi (ECPRPNS) in the People's Republic of China was selected for a PPA following consultation with the Ministry of Finance, also as an activity to implement the Statement of Intent[2] dated September 2013 between IOE and the Ministry of Finance for evaluation capacity development in China. Selection was done after careful consideration of all other recently closed projects in the country and to avoid duplication with previous IOE evaluations or on-going evaluations by IFAD Management in the country.[3]

2. Objectives. The objectives of this PPA are to: (a) assess the results of the programme; (b) generate findings and recommendations for the design and implementation of on-going and future operations in China; and (c) support in-country evaluation capacity development within the framework of the Statement of Intent between IOE and Government of China.

3. Methodology. The PPA follows the IFAD Evaluation Policy, the IFAD Evaluation Manual (2009) and the IOE Guidelines for Project Completion Report Validations/Project Performance Assessments (PCRVs/PPAs). It adopts a set of internationally recognized evaluation criteria (annex V) and a six-point rating system (annex I). The methodology for this PPA has been laid out in the PPA approach paper. It included a desk review of the available project documentation (annex XV) and a ten-day country mission with field visits to validate the existing information. As normally the case with PPAs, given the time and resource constraints, no extensive primary data collection was undertaken. Data collection methods included interviews with various stakeholders (Government, programme management staff, IFAD programme staff, consultants, beneficiaries, and other development partners working in the same area), group discussions, and reality checks in the field.

4. Data availability. The programme's documentation is extensive. Information on implementation progress, challenges and adjustments has been well documented in the supervision reports and the mid-term review (MTR) report. The programme has collected data, mainly at the levels of activities, outputs and to some extent outcomes through programme records, surveys and a participatory impact study. The PPA team was able to access M&E data in the two provinces during the mission which allowed disaggregated analysis of programme achievements. Beneficiary data are well documented and have provided an important input into the analysis. The PPA also obtained statistical data for one programme county. In addition, information derived from discussions with former programme staff and beneficiaries was an important source of information.

5. Limitations. The main limitations were the following: (a) while the programme had conducted a sound analysis of key socioeconomic indicators for project and non-project areas, using government statistics, at the design stage (2001), the project completion report (PCR) does not include data on the same indicators at the time of completion. Therefore it was not possible to conduct a full difference-within-difference analysis of key poverty indicators; (b) the Results and Impact Management System (RIMS) baseline was only conducted in 2007, after the World Food Programme (WFP)-supported activities were completed in 2005; (c) RIMS data collection focussed on high-level impact indicators for which a direct

[1] IOE decides to conduct a PPA for a programme based on the following criteria: (i) synergies with forthcoming or on-going IOE evaluations; (ii) major information gaps in the PCR; (iii) novel approaches; and (iv) geographic balance.
[2] http://www.ifad.org/evaluation/partnerships/china-intent.pdf.
[3] IOE already conducted a PPA of the Rural Finance Sector Programme in 2013. Moreover, IFAD Management is currently conducting impact evaluations of the South Gansu Poverty Reduction Programme (closed in March 2013) and Sichuan Post-Earthquake Agriculture Rehabilitation Project also closed in March 2013.

attribution from the programme is difficult to establish (such as child malnutrition and adult literacy) and/or for which reliable data are hard to come by. The RIMS approach did not use data from the statistical bureaux; (d) the size of the programme area and the distance between locations made it challenging to cover a representative sample of counties and townships through field work, given the available resources. The PPA selected one county per province. The limited time for the field mission was used very effectively by bringing together former programme management staff from the two counties visited. The PPA had to rely to a greater extent on group discussion and on the available M&E data; and (e) since several development partners (including WFP and the Department for International Development) have reduced their presence in China, it was difficult to find knowledgeable resource persons, who had worked on similar interventions in the programme area during the same period.

6. Quality of PCR. There was no PCRV conducted for this project. Instead, IOE verified the PCR findings by means of a desk review note during the CPE in 2014. This PPA found the quality of the PCR moderately satisfactory (4). The PCR was able to draw from a wealth of M&E data and a participatory impact study, but it did not include any government statistics to support claims on results achieved. Also, while the separate PCRs prepared by the provinces show candour and nuances that convey a differentiated picture of the achievements and challenges, the overall PCR prepared by the consultant, and even more the self-evaluation prepared by PMD, overstate the level of achievements in the implementation process. Therefore the PPA critically examined the claims made in the PCR through triangulation of M&E data with official statistics and observations in the field.

7. Process. The PPA mission was undertaken from 3 to 15 May 2015. Between 5 and 11 May the team travelled to Haiyuan County in Ningxia and Ningwu County in Shanxi. Before and after the mission, the team conducted institutional visits in Beijing and visits to the programme areas in Ningxia and Shanxi. In Beijing, the mission held discussions with the Leading Group Office on Poverty Alleviation and Development (LGOP) and the World Bank. The mission concluded with a briefing at the Ministry of Finance in Beijing. The mission was joined by two observers from the Ministry of Finance and the Ministry of Agriculture respectively, as a learning experience under the Statement of Intent on evaluation capacity development.

II. The project

A. The project context

8. Country background. China's tremendous success in reducing extreme poverty during the economic reform period (1978 to the present) is widely recognized. World Bank estimates indicate that the number of absolute poor (that is, those people consuming less than US$1.25 per day in Purchasing Power Parity terms) in China declined by about 750 million from about 835 million in 1981 to less than 85 million in 2011.[4]

9. The major drivers of China's historic reduction in poverty have been: (a) strong overall economic growth during the economic reform period; (b) the revitalization and growth of agricultural productivity particularly during the period 1978-85; (c) the massive expansion of off-farm employment, first in "township and village enterprise" during 1978-96 and then in urban labour-intensive manufacturing from the early-1990s to present; and (d) major improvements in all forms of rural infrastructure (transport, communications, electrification, etc.). Furthermore, since 2000, the government has provided very strong support in rural areas for universal basic education, improved health systems and insurance, and an extensive welfare grant system. Agricultural land taxes were eliminated in 2006, and a historic switch to net resource transfers to the rural sector was achieved at about that time.[5] Finally, major environmental protection schemes, including the land retirement programme (tuigeng huanlin huancao) and "mountain closure" programme (fengshan yulin), were introduced in 2000 and subsequently scaled up. These programmes, which pay upland farmers in ecologically fragile areas with very low agricultural potential to take land out of crop production, and ban grazing and logging on selected sloped lands, are playing an important role in reversing environmental degradation while maintaining farm household incomes.

10. Despite this great success, poverty in China still accounts for the second greatest national concentration of poverty in the world (after India), and roughly 8 per cent of poverty in all developing countries. The deepest and most rapid poverty reduction occurred in China's eastern coastal provinces, and government analysis indicates that remaining poverty is highly concentrated in mountainous areas in central and western China and among extremely poor ethnic minority people and other disadvantaged groups including people with disabilities, the elderly, and women and children.

11. The country's poverty reduction efforts are guided by national policy documents issued jointly by the Central Committee of Communist Party of China and the State Council. In 2001, the Government formulated the "Outline for Poverty Reduction and Development of China's Rural Areas (2001-2010)". It set out the overall goal of accelerating the pace of eradicating absolute poverty and creating the conditions for livelihood sustainability in the poverty-stricken areas. To achieve this, three poverty reduction strategies (models) were outlined: "the whole village approach", "poverty alleviation through agro-industrialization", and "relocation of poverty stricken farmers". The ECPRPNS was approved and implemented during the period of the 2001-2010 Outline.

12. IFAD in China. China is one of the largest recipients of IFAD assistance. Since the approval of its first loan in 1981, IFAD has financed 27 agriculture and rural development projects and programmes in China with a total contribution of

[4] Based on a much more austere poverty line, official government estimates indicate that the number of rural poor declined from some 250 million in 1978 to 30 million in 2000. Through inclusion of roughly 61 million "low income" rural poor, the official government estimates were then revised upward in 2001 to 90 million rural poor. On the basis of the 2001 poverty line, government estimates indicate that the number of poor then decreased to some 27 million by 2010 (before adoption of the new 2003 national rural poverty line).

[5] The State Council white paper "New Progress in Development-Oriented Poverty Reduction for Rural China" (see Information Office of the State Council, 2011) reviews the progress of the totality of China's poverty reduction work during 2001-10.

approximately US$775 million. The projects, in general, support integrated rural development in remote areas and in resource-constrained regions. The ECPRNS was designed under the first IFAD country strategic opportunities programme (COSOP) (1999), which was essentially a joint IFAD/WFP strategy covering the programme cycle of 1999-2004. The partnership enabled a focus on "hard-core poverty areas and pockets through an integrated poverty reduction approach, providing rural finance, infrastructure, training as well as interventions on health and education. The 2005 COSOP was prepared against the background of WFP withdrawal from China. Since then, operations have focused largely on agricultural production and marketing in addition to rural infrastructure development.[6]

13. Programme goal. As stated in the 2002 President's Report,[7] the ECPRNS programme goal was "sustainable and equitable poverty reduction for 300,000 vulnerable rural households living in an environment with limited and deteriorating natural resources". The programme only had one objective which was to "achieve a sustainable increase in productive capacity, both on- and off-farm, and to offer households increased access to economic and social resources, including financial services, education, health and social networks". The four programme components were: (a) land based activities; (b) financial services; (c) social development; and (d) management.

14. Changes during implementation. Following the 2008 MTR, the programme goal was updated to: "achieve sustainable and equitable poverty eradication through adoption on a large scale of an integrated poverty reduction approach by government and other donors," and the updated programme objective became "to reduce poverty in a sustainable and gender equitable way in the vulnerable programme area". Following the considerable lag between ECPRPNS design and preparation in 2000-01, IFAD effectiveness in 2005, and the slow start up of IFAD disbursements during 2005-08, project activities were adjusted to improve the programme's match with the substantial changes in rural development policy and the poverty reduction programme context in China by the time of the MTR. Investments into social infrastructure were scaled back and funding for land-based activities was increased.[8] Implementation support for the programme underwent some major changes, starting from the WFP supported period (2002-05), to supervision by the United Nations Office for Project Services (UNOPS) (2006-08), and finally to IFAD taking over supervision (2009-12).

15. Programme area. The programme area is located in the central and southern parts of Ningxia Hui Autonomous Region and the northern part of Shanxi province. The 12 programme counties are situated in China's Loess Plateau region which is subject to limited rainfall (ranging from 255 to 500 mm) and elevation ranging from 900 to 1600 meters. The limited rainfall is concentrated from July to September and results in heavy runoff of surface water and soil erosion. Climatic calamities are recorded almost every year in the low rainfall areas of the Loess Plateau, especially drought in spring, summer and winter. Low productivity of land reinforced the emphasis on extensive subsistence-orientated grain production on sloped land. Despite frequent crop failure on sloped rainfed lands, government policy had (until recent reforms) encouraged the practice of extensive cropping on sloped lands.

16. Target group. At appraisal, the programme area comprised some 1738 administrative villages within 126 townships of 12 counties within Ningxia and

[6] IFAD Country Programme Evaluation. 2014.
[7] IFAD. Report and Recommendation of the President to the Executive Board on a proposed Loan to the People's Republic of China, for the Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi. Dec. 2002.
[8] The changes were supported by two loan amendments. The first loan amendment agreed upon during MTR, states that activities have been adjusted to match the recent policy environment in the provinces, but that this does not change the fundamental nature or objectives of ECPRP, with no changes to categories or loan components. The second loan amendment was the 9 month extension of the project duration.

Shanxi. Eleven of these twelve counties were nationally designated poor counties, and the other county was a regionally designated poor county. The target group was some 310,000 rural households situated in twelve counties in one of China's most widely recognized poor areas. Hui (Muslim) ethnic minority people represented more than 60 per cent of the population in Haiyuan, Xiji and Tongxin counties in Ningxia, while there were only very limited numbers of ethnic minority people in the other nine programme counties. On the basis of lower per capita income, grain production, irrigated land, and other key indicators, roughly half of the 245 townships in the twelve counties were selected for inclusion in the programme area.

17. Programme management. Programme management included a number of participants with roles which evolved over time. WFP, IFAD, and the Shanxi Province and Ningxia Region Departments of Agriculture played the key roles in programme design and preparation during 2000-01. During 2002-05, the Ministry of Agriculture, and the Shanxi Province and Ningxia Region Departments of Agriculture led programme implementation under WFP's guidance. WFP funding for the programme was completed in 2005, and the Ministry of Finance and the Shanxi Province and Ningxia Region Departments of Agriculture led programme implementation during the slow disbursement period of 2005-08 with IFAD's guidance through UNOPS. UNOPS' role in the project ended in 2008, and programme implementation was directly supported by IFAD during the accelerated disbursement years of 2009-12.

18. Programme Leading Groups, comprising the Department of Finance, Development and Reform Commission, Poverty Alleviation Office, Women's Federation, the Departments of Agriculture, Livestock, Forestry, Water Resources, Health, Education, and other relevant agencies, were established at the province and region and county levels. Programme Management Offices (PMO), which played the key roles in the management of programme implementation, were established at the province and region, county and township levels. The PMOs at the provincial, regional and county levels had designated directors (typically selected from the Department or Bureau of Agriculture). In order to integrate programme activities with local government activities, the implementation of specific programme activities was delegated to designated implementing agencies including the Bureaus of Agriculture, Livestock, Forestry, Water Resources, Health, Education, and the Women's Federation and Rural Credit Cooperatives (RCCs). At the village level, village implementation groups (VIG) were established to assist with the selection of eligible beneficiaries, identification of demand-driven activities, and the monitoring of programme activities.

B. Programme implementation

19. The programme was approved by IFAD's Executive Board in December 2002 and although the loan was signed in February 2003, the programme only became effective in February 2005. This lengthy delay was reportedly largely due to delays within the Chinese government system as the flow of IFAD programme funding was moved from the Ministry of Agriculture to the Ministry of Finance, and other problems with the government approval process. By comparison, the WFP funded activities commenced in September 2002 and were completed by end-2005.

20. Programme costs. The total programme cost was estimated at US$90.3 million. About 32 per cent of the total programme cost was to be financed through the IFAD loan of US$29 million. WFP was to provide around US$7.3 million worth of grain. The Government's contribution was to be US$46.9 million (49.6 per cent) and the beneficiaries were to contribute US$7.1 million (7.9 per cent). Following the MTR,[9] actual total programme costs were estimated at US$100.3 million, with

[9] Programme costs changed primarily because of exchange rate volatility between USD, XDR and CNY. Component allocations were also revised at MTR.

nearly 34 per cent of costs financed by IFAD (US$33.8 million). WFP's contribution was nearly US$6.7 million worth of grain. The government contributed US$46.8 million (46.7 per cent) and beneficiaries increased their contribution to just about US$13 million (13 per cent). (see annex XIV)

22. Coverage. ECPRPNS covered a total of some 1503 administrative villages and directly benefitted 261,282 households and 419,661 people. The number of beneficiaries covered was somewhat lower than planned (310,000 households were targeted at the design stage).

Table 1
Summary of programme costs (in US$) at design and completion, with IFAD's and WFP's contributions

	Total programme				*IFAD*				*WFP*			
Component	*Approved US$ million*	*% of base costs*	*Actual US$ million*	*% of actual costs*	*Approved US$ million*	*% of base costs*	*Actual US$ million*	*% of actual costs*	*Approved US$ million*	*% of base costs*	*Actual US$ million*	*% of actual costs*
Land-based activities	43 147	47.8%	62 105	61.9%	7 473	8.3%	16 132	16.1%	5 167	5.7%	4 886	4.9%
Financial services	6 163	6.8%	5 265	5.2%	6 109	6.8%	5 255	5.2%	-	-	-	-
Social development	27 657	30.6%	23 140	23.1%	11 473	12.7%	8 935	8.9%	2 113	2.3%	1 794	1.8%
Project management	13 337	14.8%	9 831	9.8%	3 911	4.3%	3 514	3.5%	-	-	-	-
Total costs	**90 303**	100%	**100 341**	100%	**28 966**	32.1%	**33 835**	33.7%	**7 280**	8.1%	**6 680**	6.7%

Source: President's Report; ECPRPNS PCR – annex 4.

23. Implementation results. According to the programme completion report, achievement of the physical output targets set during the MTR was excellent (see annex IX). Actual achievement of the 58 specific MTR ranged from 51.4 to 151 per cent. Achievement rates of 37 (or 64 per cent of all 58 targets) of the output targets were 100 per cent or greater, and another 17 (29 per cent of all 58 targets) were 90 per cent or better. Achievement rates for the remaining four (7 per cent of all 58 targets) outputs targets were less than 90 per cent. 19 of the 58 output targets were focussed on women or were differentiated by gender. The achievement of the output targets associated with IFAD funded activities was mostly realized during the final four years of programme implementation (that is, during 2009-12) when roughly 75 per cent of IFAD funding was disbursed. The provinces performance varied significantly on 18 indicators, most of them related to social development and women's development.[10] Performance in Ningxia was overall more consistent, with 48 indicators fully achieved (Shanxi 27 indicators fully achieved) (annex XII).

24. The land-based activities component intended to strengthen agricultural and animal husbandry productivity and environmental conservation through a wide range of investments in small scale irrigation systems (including rehabilitation of existing and development of new systems), soil levelling and terracing, grazing land rehabilitation, tree and shrub planting, technical extension station upgrading, and extensive farmer technical training and on-farm demonstration and trials of planting material. 60 per cent of the programme funding was allocated to this component. Most of the WFP's support was focussed on the land based activities component, and it appears that the terracing, irrigation scheme construction and

[10] Additional data provided by Shanxi Province clearly state these non-achievements -- according to the Shanxi data the province only achieved 22 output-level indicators while 22 targets were not achieved. This includes a far lower number of beneficiaries reached than planned at appraisal (80 per cent).

rehabilitation, soil improvement, land levelling, rangeland rehabilitation and other WFP supported activities were quickly and efficiently implemented during 2002-05.

25. The MTR logical framework established 33 output targets for the programme's land based activities component within the four subcomponents of field crops, land improvement, livestock, and forestry. Twenty-three of these output targets have been fully achieved. The achievement of output targets under this component was significantly higher in Ningxia, where 30 targets have been fully achieved. Land improvement activities were clearly more important in Ningxia, with a higher number of targets set to start with.

26. The financial services component was seen as a major instrument to help the target population to build assets for sustainable development and was intended to target profitable activities including grain production, cash crops, livestock, food processing, and other off-farm activities. The RCCs played the lead role in the component, and it was expected that the RCCs would be developed into an effective, efficient and viable rural banking system with an enhanced poverty reduction and gender equity focus. The component included a training activity and support for RCCs' incremental equipment needs. The output targets for the financial services component included the amount of IFAD funding to be used as a revolving fund, and the numbers of RCC staff and VIG members trained. Achievement rates for these targets varied from 97.5 to 113.6 per cent.

27. The social development component was intended to improve the poor's access to education, health and other social services in order to strengthen human capital. The component included support to rehabilitate about 550 village primary schools, provide literacy and skills training, provide health care equipment, support village health care workers and doctors, and provide community health and nutritional awareness training. The education and health activities were targeted to girls and women, and a micro-initiatives fund was to be set up within each county's All China Women's Federation (ACWF) chapter. In addition, a substantial investment in improving drinking water systems was included in order to increase the availability and quality of drinking water and ease women's burden of fetching water. The drinking water activity was funded through the WFP support. More than half of the 18 MTR targets for the social development component were focussed on women or were differentiated by gender. Achievement rates were 92.3 per cent or greater. Ningxia's achievement on the gender focussed indicators was significantly higher.

28. The management component supported provincial start-up workshops, training on monitoring and participatory rural appraisal methodologies, computer and accounting training, transport facilities, office equipment and operating costs. The PMOs were to use and coordinate the existing technical and social agencies and bureaus at the provincial, prefectural, county and township levels for undertaking programme activities. All of the PMOs were to have nominated a gender focal point (typically a senior staff member of the local Women's Federation transferred into the PMO).

29. The design of the project's management and financial system led to foreseeable issues, of which three issues are identified. First, while the ECPRPNS President's Report and appraisal documents specifically require that PMO staffing be kept "to the minimum required for effective facilitation of programme implementation", the supervision mission reports regularly mention the inadequate numbers of PMO staff, particularly in Shanxi. Second, the design of two systems for two provinces within the same project that did not learn from one another stretched IFAD's capacities. Third, the multi-step flow of claims and funds not only slowed the implementation of activities, but by design did not foresee system limitations in regards to credit activities. The financial management system required claims to be advanced before being reimbursed, and directly limited the implementation of RCC and WF credit activities. Not only were these launched late in the project cycle,

they were reported as being too small to be effective when launched. Coherence between programme objectives and government work plans was another challenge, particularly in Shanxi. Supervision reports from both provinces point to missed opportunities in the initial years to incorporate programme activities into local government development activities.

30. Poverty targeting. For poverty targeting, IFAD used the WFP's vulnerability analysis and mapping (VAM) techniques.[11] The VAM was implemented in two phases. At the design stage, WFP and IFAD jointly selected counties and townships. Target communities and households were divided into four poverty categories, based on household cash income and grain availability. During implementation, the VIGs determined the eligibility of households to participate in programme activities, based on their perceived poverty status. Participation of poor and very poor households was monitored by supervision missions throughout implementation.

Key points

- The ECPRNS had one objective which was to "achieve sustainable increase in productive capacity, both on- and off-farm, and to offer households increased access to economic and social resources, including financial services, education, health and social networks". The four programme components were (a) land based activities, (b) financial services, (c) social development, and (d) management.
- The programme was approved and implemented during the period of the Government's 2001-2010 Outline for Poverty Reduction, targeting whole villages, promoting agro-industrialization, and relocating farmers from remote and resource-poor areas.
- The programme was designed in partnership with WFP, but implemented after WFP concluded its programme in China.
- The programme area comprised 1738 administrative villages within 126 townships of 12 counties with two provinces, Ningxia and Shanxi.
- Implementation support underwent some major changes, starting from the WFP (2002-05), to UNOPS (2006-08), and finally to IFAD (2009-12).
- Following the considerable lag between design and preparation in 2001-01, and the slow start up of IFAD disbursements during 2005-2008, project activities were adjusted during the MR, to improve the programme's match with the substantial changes in the poverty reduction context.

[11] According to the 2014 COSOP Review, the 1999 COSOP's emphasis on new targeting approaches using the WFP's VAM to identify new project areas was a breakthrough for IFAD's China programming, at a moment when the challenge of targeting was first increasing. It demonstrated the value of poverty mapping, which was not yet fully recognized in China, and contributed directly to the design of China's new poverty alleviation efforts.

III. Review of findings

A. Programme performance

Relevance

31. Programme objectives: The programme goal "ecologically sustainable and equitable poverty reduction" was amended during the MTR, to reflect the ambition of scaling up of the integrated poverty reduction approach adopted by ECPRNPNS beyond the original programme area. The original programme purpose to "achieve total factor productivity and income growth and increase impact of social services" was focussed on productivity gains only. It did not explicitly incorporate the need to strengthen sustainable management of natural resources within a fragile environment. It appeared oblivious to the multidimensional nature of poverty and did not reflect the distributional effects envisaged in the goal. The programme objective (replacing the purpose) revised at MTR reflected those aspects more appropriately. It became "to reduce poverty in a sustainable and gender equitable way in vulnerable programme areas". However, including "poverty reduction" both at a goal and objective level made it even more difficult to distinguish the programme achievements from the wider poverty reduction efforts undertaken by Government.[12]

32. Logical framework**.** The original logical framework, included in the President's Report, included one impact-level indicator for the programme goal and six indicators, containing a mix of output and impact level indicators, for the programme purpose. The MTR was an attempt to introduce greater clarify into the M&E framework through revision of the objective and better defined indicators. Still, for the objective "sustainable and equitable poverty reduction" a degree of confusion with regards to outcomes and impacts indicators remained. For example, a reduction of the poverty population is included as an outcome indicator while improved asset ownership is included as an impact indicator. Even after its revision the logical framework did not include key indicators for monitoring equitable programme outcomes: (a) although it includes gender indicators at the level of objectives, gender equality targets are not monitored across the technical components, except for the credit and social development component, where targets for women are set at 70 per cent and 90 per cent for loans and training respectively; (b) it does not include any indicators to monitor environmental sustainability, although sustainability is included as an objective and goal; and (c) it does not include any indicators to measure equitable benefits and outcomes, other than for participation of women. Participation of ethnic minorities (Hui) is not monitored. Furthermore, targeting of poor townships and villages is not monitored; targeting of poor households is monitored only for the credit component.

33. Priorities of the poor. The poverty analysis conducted at design stage was appropriate. The baseline indicators used to identify target areas were comprehensive and appropriately identified the main correlates of poverty in the programme area. The design document identified seven main causes of poverty which were addressed through the different components. This led to the design of a multisectoral approach which combined improved technologies to increase agricultural productivity and sustainable resource management with investments into social infrastructure and capacity building. The assumption was that through a participatory planning approach the programme would deliver an integrated set of interventions to address the most pertinent poverty issues at community level. Through the participatory planning process a majority of beneficiaries expressed their priorities to improve social services, access to drinking water and livestock.[13] Community priorities were to a large extent addressed during the WFP phase of

[12] Since the main difference between the objective and the goal was the scope of the poverty reduction impact (within the programme and beyond it), this would have lent itself to a monitoring approach which included a control group. Unfortunately, this has not been part of the design.

[13] PRA reports and VDP samples reviewed during PPA field mission.

support. Priorities addressed through the IFAD support was access to new food crops (Shanxi) and loans for livestock (Ningxia).

34. Strategic alignment. The ECPRPNS design was in line with the national poverty reduction strategy and with environmental conservation policies and actions in the Loess Plateau areas of Ningxia and Shanxi. The ECPRPNS multisectoral approach to reducing poverty at the village level closely matched the focus of the government's 2003 rural poverty reduction programme on achieving food security and improving agricultural productivity, boosting incomes, increasing access to drinking water and other basic infrastructure, and augmenting educational attainment levels and health status in some 140,000 newly designated poor villages across China. The ECPRPNS participatory approach and coverage of several ethnic minority autonomous counties in Ningxia also matched the government 2003 program's explicit adoption of "the participatory method" and focus on poverty reduction in ethnic minority areas. In addition, the ECPRPNS' activities to support environmental conservation – including terracing, check dams, irrigation systems, and other physical measures – were closely aligned with environmental protection measures adopted throughout the Loess Plateau area at the time of programme design. The ECPRPNS design was also fully consistent with the 1999 COSOP which targeted China's poorest areas with activities to support food self-sufficiency, technical training and support, basic infrastructure, credit for cash-generating activities, and improved access to health and education facilities.

35. Relevance of design. By 2009-12 when the bulk of IFAD programme funding was disbursed (more than 70 per cent of IFAD financing for ECPRPNS was disbursed during these years), the ECPRPNS design was no longer in step with the national rural poverty reduction strategy or the quickly evolving rural development and local environmental conservation context. Massive government investments in rural education, rural medical insurance schemes, and rural welfare grants, extraordinary growth in off-farm employment opportunities, and the adoption of very well-funded land retirement and other environmental conservation programmes in the Loess Plateau region greatly altered the rural poverty reduction and environmental conservation context and significantly undermined the relevance of ECPRPNS' design. Government support for universal basic education in poor rural areas began ramping up since 2000, for example, and soon substantially eroded the relevance of ECPRPNS' support for education subsidies, while the systemic land retirement programme completely overtook and replaced several of ECPRPNS' piecemeal environmental conservation activities (such as terracing and check dams). Most importantly, the massive outflow of rural migrants during 2000-12 to off-farm and mostly urban employment opportunities provided a major source of income for the rural poor and substantially diminished the relevance of ECPRPNS' design.

36. MTR adjustments. The 2008 ECPRPNS MTR made a substantial effort to respond to these changed circumstances. The MTR made several changes to the programme's design within the limitations of the budget allocations and within the existing financing agreement. The updated wording of the programme objective gives greater emphasis to promoting the integrated multisectoral poverty reduction approach and to gender equity, while it perhaps somewhat reduces the focus on environmental conservation.[14] Most changes were made at the level of activities. The MTR scaled back investments in basic education and health that were no longer needed and reallocated these fund savings to activities that seemed more relevant, like greenhouse and animal shed construction and, in Shanxi, to farmer cooperatives.[15] Since government programmes at the time of the MTR (a) had achieved considerable progress in improving rural education and health outcomes,

[14] Accordingly, the logical framework was altered, the M&E indicators were revised, and the Result and Impact Monitoring System (RIMS) tool was formally introduced at this time.
[15] See annex XIV for a more detailed comment on the MTR adjustments.

and (b) took marginal agricultural lands out of production and prohibited grazing on environmentally fragile grasslands in the Loess Plateau region, these newly added investment activities were consistent with government poverty reduction and environmental conservation priorities in 2009-12. However, these activities (a) were not as well prepared as were the programme's main components during the initial 2000-01 design and preparation period, (b) had much greater investment costs per beneficiary (and, in the case of Shanxi's farmer cooperatives, appear to have modest prospects for achieving financial viability), and (c) did nothing to adjust the programme's design to accord with the massive outflow of rural migrants to off-farm jobs. Overall these changes could not adequately update the programme's core design to match China's highly dynamic pace of rural development and poverty reduction context.

37. Geographic targeting. Geographic targeting was satisfactory. The 1999 COSOP allowed for a focus on "hard core poverty areas and pockets," and ECPRPNS closely targeted one of China's most severely affected poor areas. Ningxia is one of the nine most vulnerable provinces/autonomous regions identified in the 1999 COSOP, and the ECPRPNS programme area was geographically targeted to the poorest areas within Ningxia and Shanxi.[16] The Ningxia programme area includes two of the three "Xihaigu" region counties.[17] Widely considered to be one of China's poorest areas, the Xihaigu region was established as an ethnic minority autonomous prefecture in 1953 populated with more than 60 per cent Hui ethnic people. The other ten programme area counties include only very limited numbers of ethnic minority people, but suffer similar disadvantages in terms of very limited rainfall and, at the time of programme design, very low levels of food security and cash incomes. Eleven of the twelve programme area counties are identified as nationally designated poor counties in the government's 2003 rural poverty reduction program.[18] As shown in table 2, within these twelve poor counties, the poorest townships were selected for programme coverage on the basis of greatest vulnerability to food insecurity and the lowest scores on other human development indicators. The Ningxia and Shanxi programme preparation reports confirm that the selection of the poorest townships was an effective means of reaching some of China's poorest rural households:

Table 2
Key indicators for project and non-project townships in 2000

	Ningxia Townships		Shanxi Townships	
	Project	Non-project	project	Non-project
Irrigated land per capita (ha)	0.008	0.05	0.01	0.04
Income per capita (CNY)	390	756	542	1227
Grain production per capita (kg) \a/	334	553	293	575
Labour migrants (% of population, number of migrants)	3.0% (26 730)	6.0% (39 803)	2.3% (12 921)	2.4% (17 862)

Figures are averages for 1995-2000. Source: See appendix 5 of the Ningxia and Shanxi appraisal reports.

38. Participatory approach. The participatory approach was expected to be the main tool for effective target-group ownership. Participatory village development plans (VDPs) would integrate the various activities and investments provided by the line

[16] As of 2013, Ningxia and Shanxi ranked as the ninth and tenth poorest provinces in terms of their rural poverty rates of 12.5 per cent and 12.4 per cent respectively. By comparison, Tibet (Xizang) ranked first with a rural poverty rate of 28.8 per cent.
[17] The Xihaigu region comprises Xiji, Haiyuan, and Guyuan counties (the term "Xihaigu" is derived from the first syllable of each of the county names).
[18] Hongsipu County in Ningxia is not on the list of 592 nationally designated poor counties, but was a Regionally defined poor county and is the county in Ningxia which received the greatest numbers of voluntary resettlers from Ningxia's poorest counties. Most of the voluntary resettlers moved into newly established irrigated agricultural areas.

agencies into a comprehensive poverty reduction approach owned by the communities. Participatory planning was broadly promoted only after 2006 following the completion of the WFP activities. By that time, critical opportunities to plan community infrastructure in a participatory manner had already been missed. After 2006, VDPs were prepared for most project villages.[19] Then, the major difficulty became the consolidation of the VDPs into the annual work plans and budgets prepared at county level. The programme was not able to work out a rolling planning approach that would have linked the participatory plans with the workplans and budgets of the various implementing agencies. As a result, the VDPs were not updated and soon become obsolete. Soon after the 2008 MTR, the programme abandoned any attempts to deepen the participatory approach.[20] "Participatory planning", as practiced by the agricultural extension offices for example, became a loosely structured approach for consulting community members on preferred choices for agricultural technology.

39. Targeting communities and households. The programme used a simple wealth ranking approach to target the poor which was broadly appropriate within the given context, although it lacked transparency and fine-tuning. The programme mainly targeted the poor and very poor households (categories B1 and B2) accounting for between 70-95 per cent of the target population. Some programme activities, which benefitted the entire village or community (such as drinking water schemes, education and health services, and farmer training), would also benefit the A category households (which accounted for 5 to 10 per cent of the programme area population). The poorest Category C households (which accounted for 10-15 per cent of the target population) were considered to be too poor to benefit from economic activities and were expected to benefit mainly from the programme's social development activities. The original classification used at design was based on the WFP VAM methodology. Soon after the MTR the programme switched to a simplified wealth ranking approach which was used through the project completion period.[21] The criteria for identifying target households were defined by the counties and beneficiaries were selected by the VIGs. The entire process became somehow opaque. Any attempts to use a more sophisticated poverty analysis, like the PRAs conducted in the beginning, were not further pursued.

40. Gender strategy. The programme's intention to specifically target women was relevant but the approach was too broad-brushed, given the size and diversity of the programme area. Programme design included targets that (a) women beneficiaries were not less than 50 per cent of the total beneficiaries, and (b) the overall proportion of women in the planning and management system including VIGs was not less than 40 per cent. In addition, the programme included a social development component with specifically designed for women. The design of those gender specific targets and activities did not address the socio-economic and cultural diversity of the programme area. At the time of appraisal, the gender differentiated human and social development indicators revealed significant differences of the poverty situation across the programme area. Yet, the programme did not devise a differentiated strategy to address critical issues of gender equality and women's development among ethnic minority women.[22]

[19] The actual figures are confusing, probably as a result of administrative reforms that were implemented over the period of Programme implementation. The PCR states that some 1,597 VDPs were prepared, while the Ningxia and Shanxi PCRs report that only 376 VDPs each were prepared (or only some 752 VDPs).

[20] The PCR concluded that written VDPs were found less valuable and were replaced by field level demand assessments conducted by the IAs during the preparation of annual work plans and budgets.

[21] Data on household income and food production required by the original VAM approach were not available at household level. As agreed during the May/June 2009 Supervision Mission, the poverty grouping methodology was simplified.

[22] For example, illiteracy rates were significantly higher in Ningxia's Programme counties, on average 73 per cent for women (66 per cent for men), compared to 39 per cent for women (15 per cent for men) in Shanxi. Yet, the Programme design included literacy training for Shanxi and Ningxia alike. Health indicators have been significantly worse in the

Furthermore, the programme design did not specifically address the situation of women farmers in the other components (such as, for example, through labour-saving technologies), other than through training. Only at the time of the MTR was the increasing "feminisation" of agriculture flagged as an issue, although the appraisal documents clearly indicated that male outmigration was ongoing at the time of design.[23] Still, the main instrument for targeting women farmers was through training.

41. Implementation structure: The design grossly underestimated the difficulty of implementing a multisectoral approach. The programme's multisectoral was very complex to implement and its coordination was challenging. As all activities have been implemented by different sector bureaux and offices, this required an extensive coordination structure, involving a large number of actors. The Bureau of Agriculture who led the programme implementation was not set up to implement such a complex multisectoral approach. Typically multisectoral poverty reduction programmes were led by the Poverty Alleviation and Development Offices (PADO) which had a greater convening power and were set up for this purpose. The structure was further complicated when responsibilities for the programme moved from Agriculture to Finance, requiring an additional relay for fund flows at the beginning of implementation. The need to maintain a complex implementation structure even after some activities were scaled back at MTR and the limited scope to focus on relevant activities led to disillusion among some programme staff. In Shanxi, provincial and county programme managers and implementation staff commented that the multisectoral approach was too complex, and they were convinced that a single sector poverty reduction approach would have been more manageable, successful and preferred.

42. All China Women Federation (ACWF). The idea of bringing in the ACWF was well intended, but based on some wrong assumptions about their mandate and capacities. The ACWF has been selected to achieve outreach to poor rural women because it is a mass organization with a structure reaching down to the village level. It became the lead agency for the programme's social development component. However, the ACWF's institutional mandate and priorities, which focusses on new leaders and entrepreneurs among rural women has been taken into consideration. Furthermore, the varying capacities of the local ACWF branches that had been documented at appraisal were not adequately considered.[24] Programme management acknowledged that it was difficult to fit the ACWF into a coordinated implementation approach. The mixed performance of the ACWF and problems in coordination activities with the ACWF became main reasons for the slow implementation of the women's development subcomponent.

43. Programme stretch. Programme design did not adequately consider the size of the programme area, its cultural and socio-economic diversity, and the difficulties in accessing the remote communities. Programme activities were stretched out thinly over a large area (particularly in Shanxi). In Ningxia, the programme covered 379 administrative villages with 151,680 households and 236,808 direct beneficiaries. Spreading across a large number of villages meant that funds and activities were thinly stretched and the effectiveness of the programme was heavily diluted. A large number of communities could only be covered through training. Furthermore, organising outreach and participation through the VIGs became much more of a management challenge, in particular in Shanxi where the programme

poorest counties of Ningxia (including Haiyuan, Tongxin and Hongsipu) and Shanxi (Fanshi and Lingqiu). Yet, the Programme design did not include specific strategies to target those counties.

[23] The appraisal document shows that outmigration has been particularly high in the poorest counties of Ningxia (such as Xiji and Haiyuan) and Shanxi (such as Guangling).

[24] The appraisal document (Working Paper Appendix 1, p. 8) included some key indicators for local ACWF capacities, which show that the ACWF in five counties did not have prior experience in operating microcredit, and that only in two counties (Yanchi and Wutai) had the ACWF microfinance loans achieved a significant scale and outreach prior to the Programme.

covered a significantly larger number of administrative villages.[25] Supervising a programme which was spread out over such a vast area was time consuming and cumbersome. Also, selecting two provinces with no central PMO meant that the programme was run as two parallel projects without a mechanism to ensure a consistent performance and mutual learning.

44. Relevance rating. The ECPRPNS objectives and approach were fully relevant at the time of programme preparation in 2000-01. However, as a result of long delays at start-up, they became outdated and less relevant by the time of the MTR. The MTR made an effort to update the design by adding more relevant activities and dropping those that were no longer needed. Given the dramatic changes in rural poverty reduction and environmental conservation during this decade, these adjustments appear rather piecemeal. On the other hand, the selection of the target area and the focus on the rural poor and ethnic minority people remained relevant. The programme design was ambitious and perhaps unrealistic on some aspects. During implementation, the programmes ambitions had to be scaled down. The participatory approach which would have been a defining feature of this programme did not materialize as expected. The VAM methodology was replaced by a simpler wealth ranking. The programme stretch was a serious limitation to delivering a more effective approach. The implementing structure was cumbersome and on some aspects out of step with the existing institutional realities. The most important shortcoming however was that by 2009-12, when the bulk of IFAD funding was disbursed, the multisectoral approach had become redundant. Therefore the relevance of the programme can only be rated as moderately unsatisfactory (3).

Effectiveness

45. Achievement of project objectives: The programme objective "to reduce poverty in a sustainable and gender equitable way invulnerable programme areas" was to be achieved through the four components. Component 1 was to strengthen sustainable production systems in environmentally fragile areas. Component 2 aimed at improving access to financial services for the poor and women. Component 3 specifically targeted women through improved social services, training and income generating activities. Components 1 and 3 were expected to make the biggest contribution to the overall programme objectives, as they addressed six out of seven identified causes of poverty in the appraisal documents.[26] Those two components were heavily supported by WFP and Government, whose contribution focussed on land improvement, water and irrigation as well as social infrastructure.

46. The delay in the start-up of the IFAD support meant that the intended sequencing of interventions and with this the integrated nature of activities was disbanded. For example, only after the community infrastructure had been built, the programme started promoting participatory planning and capacity building. The extension of agricultural technology and the provision of loans not necessarily focussed on communities where infrastructure had been built during the WFP phase. The disintegration of the programme approach greatly undermined the achievement of the programme objective.

47. While the achievements of component outputs appear to be satisfactory, outcome-level data at the outcome level are not as conclusive as far as the achievement of the programme objectives is concerned. The issues around the quality of the indicators and the limitations in the supporting data will be further discussion in the following chapter (poverty impact). The available evidence suggests that the programme made a contribution in addressing the causes of poverty in the

[25] In Ningxia, the larger number of natural villages (2,114) was organized into a smaller number of administrative villages (379) which were managed by the same number of VIGs.
[26] See paragraph 49 of the appraisal document.

programme area, in particular through Components 1 and 3. However, concerns remain around the stretch of the programme and the ability of the very poor benefit in an equitable manner.

48. Broad stretch. The design assumption that the programme will deliver an integrated set of activities to address the main causes of poverty was clearly undermined by the programme's broad stretch. In Ningxia's Haiyuan County, the programme targeted 37 out of 66 administrative villages in the county. However, the full set of programme activities was only implemented in 19 administrative villages.[27] In Shanxi, the programme covered a significantly smaller number of beneficiaries - 109,602 households and 182,853 direct beneficiaries – but these beneficiaries were spread out over the much larger number of 1124 villages. Consequently, not all activities could take place in all the villages covered. This important shortcoming was highlighted in the "Lessons Learned" sections of both the Ningxia and Shanxi PCR documents which stated: "Project design is too fragmented, which is easy to cause great coverage rate of resources, but with little effect".[28]

49. Equitable benefits. Programme data suggest that this approach of identifying target groups and mobilising them to participate in the programme was successful. However, the PPA has concerns about (a) the process of identifying beneficiaries, and (b) the quality of beneficiary data. The pragmatic participatory approach adopted later in implementation meant that the village leaders played a pivotal role in the selection of beneficiaries. How effective, transparent and inclusive this process was, the available data do not tell. All that is known is that it was highly variable. After a careful review of the process of beneficiary selection and the reporting of beneficiary numbers the PPA concerns are: (a) the existing monitoring system was not set up to crosscheck the poverty status of beneficiaries selected at village level other than through field supervision; (b) there is a strong possibility that, given the culture of top-down planning, reporting of beneficiary numbers was quota driven and therefore the actual number of poor and very poor households participating in programme activities may have been be over- or understated in an attempt to match the quota provided; (c) because the prevalent approach was "matching people to the activities provided", the data do not permit any assumptions on the people's motivation to participate; if they participated because the activity was genuinely relevant and needed – or because there were few other opportunities on offer; and finally (d), because the system only captured relative levels of poverty within villages, data on poor beneficiaries should not even be aggregated or compared across villages, township or counties. The same poverty category may hide a range of different poverty levels and poverty types.

50. Anyhow, the programme has been successful in mobilising large numbers of the poor to participate in the activities offered and when asked during this PPA mission, people were grateful about the activities provided. The impressive beneficiary numbers show that the programme somehow has been successful in matching an existing demand, in particular with regard to the training provided. As shown in table 3, households classified as "poor" and "very poor" composed the majority of programme beneficiaries. In Shanxi, the share of very poor beneficiaries was even higher than expected, because they also constituted a significant share of beneficiaries in land based activities. This may be explained by the increased opportunities for migrant work during the programme implementation period which made agriculture less attractive for better-off households in this province. Better-off households only constituted a minor share of the programme beneficiaries. In Ningxia, very poor households participated less in land based activities and in social development activities.

[27] Data provided during the PPA field visit.
[28] Ningxia PCR, par. 13.2; Shanxi PCR pg. 14

Table 3
Number and share of beneficiary households by poverty status and programme component

Ningxia components	*Total households*	**%**	*Category A Households (Better off) %*	*Category B1 Households (Poor) %*	*Category B2 Households (Very poor) %*	*Category C Households (Poorest) %*
1. Land-based activities	**123 810**	100.0	2.9	36.7	52.2	8.3
2. Financial services	**15 279**	100.0	0.0	28.5	55.8	15.7
3. Social development	**196 405**	100.0	3.3	32.4	55.2	9.1
Shanxi components	*Total households*	**%**	*%*	*%*	*%*	*%*
1. Land-based activities	**115 009**	102.4	6.0	25.2	45.9	25.3
2. Financial services	**3 003**	100.0	0.0	21.8	40.5	37.7
3. Social development	**117 588**	101.1	5.8	26.6	46.6	22.1

51. Component 1: Land-based activities. The appraisal documents[29] identified the following three causes of poverty which were to be addressed through the land based activities component: (a) very limited natural and productive resources given the size of the population; (b) lack of application of irrigation and other basic modern agricultural techniques; and (c) degraded rangelands and other common natural resources. The objectives of this component were to strengthen technical extension services, land productivity, water and rangeland management, increase livestock production and forest management. Among the four subcomponents, the livestock sub-component has been less effective in Shanxi where two out of the four outcome indicators were missed because of the limited outreach to target households.[30]

52. Most or all of the programme's land based component activities which were location specific (including civil works and planting activities) affected a limited number of individual villages, while other activities, including farmer technical training, field demonstrations, and improved planting materials, reached most or all programme area villages. The land based activities component effectively addressed the three identified causes of poverty in villages where a number of location specific activities were concentrated, but of course had less of an impact in villages which only benefited from technical training, field demonstrations, and improved planting materials.

53. While the WFP supported land based activities were all completed by 2005, the IFAD supported land based activities began implementation only in 2006 and initially suffered a very slow three year period of implementation during 2006-08. Rapid implementation of the IFAD supported land based activities began only in 2009, and included three new activities introduced as part of the 2008 MTR:

[29] See paragraph 49 of the appraisal documents.
[30] The PCR claims that nine out of eleven indicators were fully achieved, but the report itself does not provide any data to support these claims. The PPA has not been able to establish how data, for example on the adoption of technologies, were collected. For some indicators that were crosschecked during the PPA (e.g. "10 percent of the greenhouses operational" and " 100 per cent of the farmers' cooperatives in Shanxi still operational" the field evidence did not confirm this claim.

construction of greenhouses and animal sheds in both Ningxia and Shanxi, and support for farmers' cooperatives in Shanxi only.[31]

54. The PPA team's field visits in Ningxia confirmed that programme beneficiaries highly favoured these greenhouses and animal shed activities, and found that these beneficiaries were eager for further investment in these activities. On the other hand, only 909 of the targeted 1769 poor households (that is, 51.4 per cent of the targeted households) were provided with permanent greenhouses.[32] Instead, an appropriate lesser number of the permanent greenhouses were established under the programme primarily for the purpose of timely provision of planting materials used in the larger number of much lower cost semi-permanent greenhouses. The programme greenhouses in Fengwan Township in Haiyuan County in Ningxia, shown in Picture 1, achieved strong profitability from the production of peppers and sweet melons and served to greatly increase the cash income of the 120 participating programme households. Unfortunately, programme support for greenhouses and farmer cooperatives in Ningwu County, Shanxi was far less successful than in Haiyuan County, Ningxia. The PPA team's field visit to programme supported greenhouses in Ningwu County found that only 17 of the original 29 greenhouses were still operating, and that even the remaining greenhouses were no longer profitable. The Ningwu County greenhouses were operated by a programme supported farmers' cooperative, and the PPA team found that the programme had provided the cooperative with inadequate technical, marketing, and managerial support.

55. Component 2: Financial services. The financial services component was intended to address the "lack of credit, in particular to purchase appropriate inputs," which was identified as one of the seven main causes of poverty in the appraisal document. The objective of this component was to improve access to financial services for the poor and women. Funding was intended to target profitable activities including grain production, cash crops, livestock, food processing, and other off-farm activities. According to the programme's M&E data, the objective was well achieved. The Ningxia PCR states that 73.2 per cent of loans went to B2 and C households. In Shanxi, some 79.4 per cent of the loans went to B2 and C households.[33] Importantly, a major success for the programme was that by the time of completion the share of women taking out RCC loans was well above target (44 per cent in Ningxia and 29 per cent in Shanxi).[34]

56. Pro-poor focus. IFAD's decision to provide loans to the poor through the RCCs was intended to establish sustainable financial services for the poor in order to increase productivity and cash incomes. In practice, getting the RCCs to provide loans to very poor farmers was a continuous challenge for the programme, and other similar programmes in China involving the RCCs experienced just this same challenge.[35] Targeting of beneficiaries became a constant issue of concern for supervision teams which consistently urged RCCs to increase lending to very poor and the poorest households (that is, the B2 and C categories). Recommendations from the Shanxi 2010 supervision report suggested limiting the number of repeat borrowers so as to increase programme outreach. The high share of loans given to

[31] Shanxi Programme management staff informed the PPA team that these three activities were selected at the time of the MTR since it was believed that they could easily expedite expenditure of the remaining IFAD funding, and that all parties could quickly agree to these activities.
[32] Ningxia implementation staff explained to the PPA team that the permanent greenhouses were very costly and not needed in the quantities originally planned under the MTR.
[33] However, the reliability of this poverty classification and the data are questionable (as stated elsewhere in this PPA report).
[34] These data are reported in the Provincial PCRs (see annexes 5 and 8). Note that the Ningxia PCR does not contain detailed beneficiary data for the RCC component. Considering the larger number of loans in Ningxia, the correct number for the entire programme would be 41 per cent, not 39.5 per cent as stated in the PCR.
[35] The 2014 COSOP Review highlighted continuing issues with access to credit for the very poor and the reluctance of RCCs to seek very poor clients without project support.

the poor and women suggest that supervision guidance and requirements were eventually followed.

57. Incomplete disbursements. Effectiveness of this component has been severely undermined by late start-up of disbursements. Actual disbursements for the rural microfinance component started in 2006 in Ningxia. Shanxi did not start its rural microfinance component until 2007, first in Wutai and Jingle counties, and then in 2008 in the remaining counties.[36] Funding for the rural microfinance component was reduced by 17.5 per cent at the time of the MTR. Even following that reduction, the component was less than 95 per cent disbursed at the time of completion (mainly due to low disbursements in Shanxi).[37]

58. Limited outreach. Outreach was very uneven in this component and in the case of Shanxi unsatisfactory. Coverage rates differed greatly between Ningxia and Shanxi, and were much more spread out in Shanxi, with fewer and larger loans provided per village. As a result, this meant that in Ningxia the programme issued on average 90 loans to 53 households within each administrative village covered, while in Shanxi the programme only provided 6 loans to 5 or 6 households on average per village covered.[38] Ningxia managed to recycle a substantial share of the loans, which made the revolving fund more effective than in Shanxi.

59. Component 3: Social development. The social development component was intended to address the remaining three causes of poverty in the programme area as identified in the Ningxia and Shanxi appraisal documents: (a) illiteracy and poor education, particularly for women and girls; (b) poor health, with significantly above national average incidence of infectious diseases, infant, child and maternal mortality; and (c) extreme shortage of drinking water in some areas.[39] The objectives for this component were to improve rural health care and access to primary education, to enhance women's capacity and access to credit, and improve access to drinking water. WFP funding played a major role in the provision of the programme's support for drinking water systems as well as the construction and upgrading of village school buildings and health clinics. The IFAD participatory impact assessment (PIA) found that, particularly for women programme beneficiaries, the women's health exam, teacher training, and drinking water activities were ranked very highly. The social development component played a key role in the programme's focus on gender equity, including the ACWF microfinance activity described in the next paragraph.

60. Women's development. Implementation of activities under the women's development subcomponent started late and disbursements were not fully completed at the time of programme completion. The main reason for this was the uncertainty about the mandate and the capacity of the ACWFs to operate the microfinance activity in a financially viable manner. The lack of pro-poor focus in the women's microfinance activity was a constant issue of concern for supervision missions. In the end, microfinance loans for women achieved significant outreach and pro-poor focus mainly in Ningxia. Considering that Ningxia started implementation of this component earlier, it appears that Shanxi lost an important opportunity to learn lessons from Ningxia by the time it started its operation.

[36] The 2014 COSOP Review noted that delays resulting from the need to prepare Subsidiary Loan Agreements with the RCCs were a common problem in all programmes involving RCC operated microfinance funds. Subsequent supervision missions also noted untimely disbursements of RCC revolving funds hampering the implementation of this component.

[37] At the time of completion, Ningxia had disbursed 105 per cent against the MTR target for the financial services component, while Shanxi had only disbursed 83.74 per cent. Within Shanxi, disbursements against targets varied widely between counties, with Wutai way below target (-6 per cent) and Guangling, Wuzhai and Jingle slightly above target.

[38] In Ningxia, RCC loans covered 286 administrative villages and 15,279 households through a total of 25,651 loans. In Shanxi, 3,245 RCC loans were provided in 530 villages to 3,003 households.

[39] See paragraph 49 of the appraisal documents.

61. Component 4: Management. The management component supported provincial start-up workshops, training on monitoring and participatory rural appraisal methodologies, computer and accounting training, transport facilities, office equipment and operating costs. The programme had set up an extensive coordination structure for implementation of activities across different departments, bureaux and other participating actors to achieve effective flows of information between all implementing partners, so as to efficiently process claims and flows of funds. Implementation and coordination appears to have overstretched existing capacities, in particular in Shanxi. Layers of coordination and multi-step processes through which claims and funds flow had to be processed and the high requirement of documents demanded by IFAD were a challenge for programme staff and created bottlenecks in claims and fund flows, leading to a very slow replenishment rate of special accounts in both Ningxia and Shanxi. The issue is reflected in the lower achievement rate of the annual work plans and budgets in both provinces at MTR, and in the processing, submission, quality, and rejection of claims documents from various levels. This issue was constantly monitored by IFAD, as demonstrated by PMO staff reporting broad annual trainings to the PPA team, and which resulted in high disbursement towards the end of the project.

62. Nonetheless, despite acceptable final disbursement rates, three issues stand out. First, capacity building to solve the issue in both provinces focused on PMOs and implementing agencies, not necessarily on VIGs, which raises issues on participatory planning and project targeting at the beneficiary level. Second, On-Lending agreements issued by BOFs in Shanxi demanded payback conditions on PMOs and implementing agencies, which terminated by 2009. Third, in 2011 the government advanced US$3.3 million as IFAD financing to project implementation, to be reimbursed. Overall, the PPA team found that the PMO teams had demonstrated great dedication and commitment to quality programme implementation during the 13 years from the start of design and appraisal in 2000 through completion. When asked by the PPA team how the PMO staff had endured the major changes in procedures, guidelines, and requirements for reporting, withdrawals, M&E work, and other tasks during the successive WFP (2002-05), UNOPS (2006-08), and IFAD (2009-12) implementation periods, the Shanxi provincial and Ningwu County PMO staff graciously responded that “we did our best” and “learned a great deal from all of the annual training on successive international organizations’ procedures, guidelines, and requirements”.

63. Overall, the programme made a moderate contribution to addressing the main causes of poverty. The land based activities component addressed the three identified causes of poverty in most of those villages which received concentrated support, but (a) there was a much more modest impact in the many programme villages which did not receive concentrated support, and (b) the rush to disburse roughly 75 per cent of the IFAD funding during 2009-12 led to several poorly performing activities (particularly in Shanxi). For the financial component. Insufficient outreach and coverage limited its effectiveness as a result of late start-up and slow disbursements, in particular in Shanxi. By the time of completion, the RCCs had reached an above average share of households with smaller loans for income generating activities. The health and education sub-components made a significant contribution to addressing the remaining three causes of poverty during the earlier WFP period. Key factors limiting effectiveness were the late start-up and slow disbursements in the IFAD supported component and the thin programme stretch which led to only few communities receiving a comprehensive package of interventions. Overall, effectiveness is rated as moderately satisfactory (4).

Efficiency

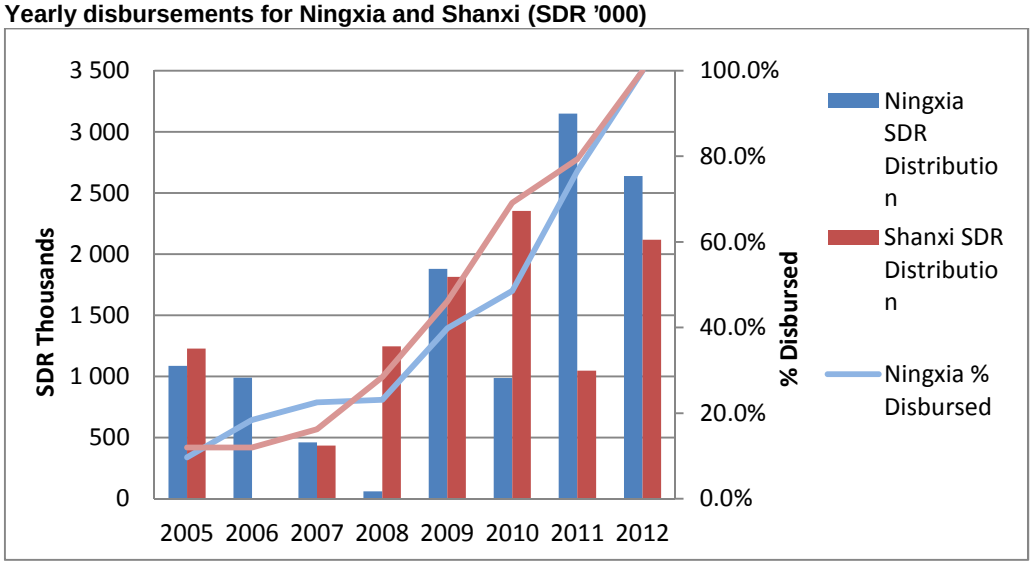
64. ECPRPNS took thirty-six months to become effective (from the February 2002 signing of the Loan Agreement to the February 2005 date of effectiveness), which

was several times the average for the Asia and Pacific Region at that time. Furthermore, the disbursement of IFAD funding was very slow during the initial four years (2005-08) of effectiveness, and cumulative disbursements amounted to roughly 25 per cent of total funding by end-2008. The delays led to a revised budget prepared at MTR. It also became necessary to extend the original closing date of March 31, 2011 by nine months to December 31, 2011, and some 75 per cent of IFAD funding was disbursed during 2009-12.

65. All IFAD loan funds were used by the actual June 2012 closing date. The PPA team's detailed comparison of planned and actual programme expenditures indicates that (a) actual expenditures were largely in line with what was planned in the original project design documents, (b) actual expenditures by county were very close to the original appraisal plans, but (c) there were some significant differences between appraisal and actual expenditures for specific component activities within certain programme counties (such as for field crops in some Ningxia and Shanxi counties, and for forestry development in some Shanxi counties).[40] The full utilization of IFAD loan funds by the actual June 2012 closing date suggests that the funds were used efficiently. However, the three year delay in programme effectiveness and subsequent four year sluggish initial programme implementation certainly eroded efficiency (see figure 1 below). First, and most importantly, programme management and field implementation staff endured three separate and lengthy periods of different implementation guidelines and procedures. Initial implementation during the years 2002-05 followed WFP guidelines and procedures. This was followed by UNOPS' guidelines and procedures during the first four years of the IFAD programme implementation (2005-08), and then IFAD's guidelines and procedures during the final four years of implementation (2009-12). The Ningxia and Shanxi PCRs clearly state that, as a result, (a) the expected synergy between the WFP and IFAD supported activities was undermined, (b) excessive effort was required to learn new procedures and guidelines, and (c) UNOPS supervision missions did not provide sufficient technical guidance and functioned mostly as an inefficient "go-between" necessary to reach IFAD decision makers.[41] Second, the Director of the Shanxi PMO changed three times during the lengthy duration of the programme, and similar discontinuity of staffing throughout the Ningxia and Shanxi management systems no doubt undermined the fluidity of programme implementation. Third, implementation was certainly made more complicated by significant changes in unit prices in many cases between the 2000-01 design period and the 2009-12 actual implementation period. Finally, it should be noted that implementation of the Financial Services component and several component activities, including tree planting and women's development, considerably lagged the overall programme implementation.

[40] A breakdown of MTR approved and actual costs by financier and by subcomponent is provided in annex XII.
[41] The PPA team notes that the candour of the Ningxia and Shanxi PCRs was lost in the IFAD Project Completion. Digest which, for example, states that: "Due to an effectiveness lag of 3.5 years, implementation of the WFP food aid and IFAD loan interventions were disconnected. With hindsight, this is perceived as a positive development as it has allowed the most urgent needs of the beneficiaries, namely availability of food, to be addressed first before trying to address higher needs, through loan-financed activities."

Figure 1
Yearly disbursements for Ningxia and Shanxi (SDR '000)



Source: Compiled using IFAD Flexcube data (June 2015).

66. Rate of return analysis. The PPA team reviewed the IFAD PCR cost benefit analysis and found that analysis to have been thorough and rigorous. For the eight investments which generated direct private benefits for programme farmers, the IFAD PCR cost benefit analysis carefully considered changes in input and output prices during the 2002-11 programme implementation period. The IFAD PCR found that the value of labour inputs had increased sharply during this period (from CNY 6 per day in 2000-01 to between CNY 25 to 50 per day by 2011), while most output prices were rather volatile but generally increased substantially over time. Overall, the IFAD PCR's estimates of economic rates of return of 20.4 per cent and 18.2 per cent in Ningxia and Shanxi respectively appear realistic and convincing, and were slightly less than the appraisal estimates of 22.7 per cent and 19.2 per cent. The PPA team did find that the greenhouse investments in Ningwu County in Shanxi were generally not financially viable, and this suggests that the IFAD PCR's estimate of the returns to this activity in Shanxi may have been overstated. Conversely, the IFAD PCR's observation of "relatively low net income" from livestock breeding activities was not in agreement with the strong enthusiasm for further expanding livestock breeding and animal shed construction that programme farm households expressed to the PPA team in Haiyuan County in Ningxia. However, these two minor issues probably relate to changes in output prices since the time of the IFAD PCR's economic rate of return analysis, and do not bring into question the IFAD PCR's overall finding of strong economic returns to the programme's investments in grain crops, cash crops, fodder production, and livestock breeding.

67. Cost per beneficiary. The cost per direct beneficiary was US$239.10 for the whole programme. This has been significantly higher than for other IFAD-supported programmes in China, e.g. the Wulin Mountains Minority - Areas Development Project (US$73.17) or the Qinling Mountain Area Poverty Alleviation Project (US$62.88), but similar to other donors' programmes working in the same area, such as the World Bank supported Gansu and Inner Mongolia Poverty Reduction Project (234.07).[42] The costs per direct beneficiary differed between the two provinces. It was US$212.29 per direct beneficiary in Ningxia and US$273.79 in Shanxi. It is however difficult to directly compare costs for this type of projects because the activities and the mix of activities varies hugely between communities.

[42] Sources: Wulin Mountains Minority – Area Development Project PCR; Qinling Mountain Area Poverty-Alleviation Project PCR; World Bank's Gansu and Inner Mongolia Poverty Reduction Project PCR.

68. Overall, the programme had a positive economic benefit in the Ningxia and Shanxi programme areas, and all loan funding was used by the actual June 2012 closing date. However, the long implementation period had a negative effect on efficiency. Programme management and field implementation staff endured three separate and lengthy periods of different implementation guidelines, procedures and supervision (from WFP, to UNOPs and finally IFAD). Discontinuity of staffing throughout the Ningxia and Shanxi management systems undermined the fluidity of programme implementation. Also, implementation was complicated by significant changes in unit prices in many cases between the 2000-01 design period and the 2009-12 actual implementation period. Finally slow disbursements of the Financial Services component and several component activities, including tree planting and women's development, considerably lagged the overall programme implementation. On this basis, efficiency is rated moderately satisfactory (4).

B. Rural poverty impact

69. The PCR includes no official poverty statistics. Instead, it presents a comparative analysis of relative poverty status (using the VAM tool), collected at baseline and completion.[43] For this PPA, in addition to the field visit, the sources of data on programme impact were the 2011/12 RIMS survey, the undated IFAD Participatory Impact Assessment, the 2014 Haiyuan County Economic Indicators Handbook, the Ningxia and Shanxi ECPRP PCRs, and other information.

70. Household income and assets. The PCRs[44] state that programme area household incomes increased dramatically during 2002-11 and by significantly greater margins than the provincial averages and the averages in non-programme areas. Specifically, the Shanxi PCR states that: "the per capita net income of the farmers in the project area has been significantly increased. Taking an example of Fanshi County, the annual per capita net income of the farmers in the project area was increased from CNY 490 in 2005 to CNY 3,279 in 2011, increased by 5.6 times, which is significantly higher than the margin of increase of the whole province and the non-project areas".

71. While there is no doubt that rural per capita incomes and household assets increased dramatically in the programme area during the 2002-11 programme implementation period, the PCRs do not provide sufficient non-programme area information to convincingly determine how much of these increases were due to ECPRPNS and how much were due to overall economic and social progress within the programme area counties and within rural Ningxia and Shanxi. In particular, the PCRs make references to "government statistics" which could have allowed for a rigorous "difference within difference" analysis of the relative contributions of the programme and wider governmental programmes and support and overall economic progress in rural Ningxia and Shanxi, but these government statistics are not provided in any of the PCR and M&E documentation. This is unfortunate since a comprehensive analysis of more than 40 socioeconomic indicators in the programme area and non-programme areas was undertaken in 2000-01 as part of the detailed programme preparation and design work (see annex XI). The IFAD PCR does recognize that "the share of program's contribution to the improvement is difficult to be estimated quantitatively," which suggests that a careful difference within difference analysis using "government statistics" was not undertaken.

72. The PPA team received government statistics: (a) for Ningwu County in Shanxi for rural net per capita income and per capita grain production for each year 2002-14 (see annex VII); and (b) similar figures for all five programme counties in Ningxia for the year 2011. These data are reported for the programme townships and for each county as a whole, and therefore make possible a difference within difference

[43] As detailed above, the VAM data only describe the relative poverty status of households within a given village and cannot be compared across villages, counties or even provinces.
[44] In the following, we refer to the Shanxi PCR and the IFAD PCR Digest, prepared by the PMD Front Office, in particular.

comparison of the growth of rural net per capita income and per capita grain production between the programme townships and for each county-wide average. The Ningwu County data show that rural net per capita income in the programme area townships increased by CNY 3,318 from CNY 635.3 in 2002 to CNY 3,953 in 2014, while average rural net per capita income in all of Ningwu County increased by the greater amount of CNY 3,499 from CNY 705.6 in 2002 to CNY 4,205 in 2014. In contrast to the conclusions reported in the PCRs, the Ningwu data show that the absolute increase in rural per capita net income was slightly less in the programme townships than the Ningwu County-wide average. Therefore, the Ningwu data do not support the conclusion that the programme activities boosted rural income levels by an amount greater than what was observed for the county as a whole over the period 2002-14.

73. Using data for the year 2000 from the ECPRPNS appraisal report annex 5 for Ningxia, the PPA team was able to complete a difference within difference comparison of the growth of rural net per capita income and per capita grain production between the programme townships and for each county-wide average.[45] The difference within difference comparison for Ningxia for 2000-11 for rural per capita income is shown in table 6. The comparison documents that for Ningxia as a whole and for three of the four programme counties for which data were available, the absolute growth of rural net per capita income growth in the programme area townships did not keep pace with the county-wide absolute growth. Similar to the Ningwu County data for Shanxi, the Ningxia difference within difference comparison does not support the conclusion that the programme activities boosted rural income levels by an amount greater than what was observed for the counties as a whole over the period 2000-11. This analysis appears to further undermine the PCRs assertions that programme area household incomes increased by significantly greater margins than the provincial averages and the averages in non-programme areas.

74. The PCR did not report an analysis of the key socioeconomic indicators for all of the programme area and non-programme area townships at the time of programme completion, similar to that undertaken in 2000-01 as part of the detailed programme preparation and design work.[46]

Table 4
Difference within difference analysis for Ningxia income growth, 2000-11

Region/county	County-wide rural net per capita income (CNY)			Programme townships rural net per capita income (CNY)			Difference within difference
	2000 (A)	2011 (B)	Difference (C) =B-A	2000 (D)	2011 (E)	Difference (F) =E-D	(G) =F-C
Ningxia	549	3 893	3 344	390	3 330	2 940	-404
Haiyuan	629	3 267	2 638	317	2 619	2 302	-336
Tongxin	590	3 941	3 351	408	3 795	3 387	36
Xiji	507	4 110	3 603	407	2 986	2 579	-1 024
Yanchi	608	4 149	3 541	449	3 752	3 303	-238

Sources: PPA team calculations based on data for 2011 provided to the PPA team, and for 2000 from the ECPRPNS appraisal report annex 5 for Ningxia.

75. Given the absence of socioeconomic indicators for programme area and non-programme area townships for all twelve programme counties, any attempt to distinguish the relative contributions of ECPRPNS and of wider governmental

[45] The ECPRPNS appraisal report annex 5 for Ningxia reports rural incomes and grain production for the non-Programme townships in each county instead of the county-wide averages (on the other hand, the 2011 Ningxia data provided to the PPA team were county-wide averages, not non-programme township data). However, it was possible to calculate the county-wide averages from the data provided in the ECPRPNS appraisal report annex 5. To insure comparability, these calculated county-wide averages for the year 2000 are reported in Table 4. Data for Hongsipu County for 2000 were not available, so Hongsipu County is not shown in Table 4.

[46] The 2007 switch to the RIMS survey approach probably explains the unfortunate failure to make effective use of the 2000-01 baseline socioeconomic data in the Programme completion analysis.

programmes and support and overall economic and social progress to the strong improvements in household incomes and assets are considered theoretical. However, available information does suggest that wider governmental programmes and support and overall economic and social progress have played a much more dominant role in increasing household incomes and assets in the programme area than did ECPRPNS.

(a) First, the difference within difference comparisons of programme area household incomes for Ningwu County in Shanxi and the Ningxia counties reported above suggest that the increases were somewhat greater in non-programme townships in absolute terms. The figures reported in the IFAD PCR Digest (see paragraph 77 below) also indicate that the absolute increases in rural per capita incomes during 2002-11 were somewhat less for programme area township households (that is, an increase of CNY 2,465 for programme township households) than for the programme area county-wide household averages (that is, the somewhat greater increase of CNY 2,696 for both programme area and non-programme area townships).

(b) Second, it is evident that the most significant driver of increased rural incomes in the programme area counties during 2000-14 has been greatly increased income from labour migration and off-farm work. The programme design and preparation data reported in table 2 indicate that between 2.3 per cent (in Shanxi's programme area townships) to 6 per cent (in Ningxia's non-programme area townships) of the rural population were migrant labourers in 2000, while the PPA team was informed that by now some 20 to 25 per cent of the programme area county rural population have become migrant labourers. Detailed figures for Ningwu County provided to the PPA team show that the number of rural migrants increased from less than 2 per cent of the county's rural population in 2000 to about 21 per cent in 2011, and confirm this remarkable overall trend.

76. The sharp increase in rural migrants since 2000 strongly supports the IFAD Participatory Impact Assessment's conclusion that "the trends are that income from migrants becomes the major, dominant source of income in most of the households and villages, surpassing income from cash crops and livestock". Since the families of rural migrants are known to spend a significant portion of remittances on housing, motorbikes, TVs, cell phones and other consumer goods, it can also be speculated that the massive increase in labour migration has played a greater role (relative to ECPRPNS' activities) in increasing household assets during the 2002-11 programme implementation period.

77. PMD rating. The IFAD PCR Digest[47] concludes that: "farmers have experienced a higher than average increase in their annual incomes between 2002 and 2011. Their average incomes have increased from CNY 709 in 2002 to CNY 3,165, while average incomes in the programme area have increased from CNY 1,069 to CNY 3,765". The IFAD PCR Digest also states that: "the beneficiary survey shows that 51.7 per cent of the households have improved their asset ownership index" and specifies that these increased assets were mainly in the form of housing, motorbikes, TVs, washing machines, refrigerators and telephones. For these reasons, the rating awarded by the PMD front office is 'highly satisfactory'.

78. Overall assessment. The PPA does not support the PMD rating for the following reasons: (1) the PCR does not provide sufficient non-programme area information to determine the extent to which increases in incomes and assets were due to ECPRPNS; (2) data obtained during this mission do not support the conclusion that the programme boosted rural incomes above the overall average; (3) difference in

[47] Prepared by the PMD Front Office (2013).

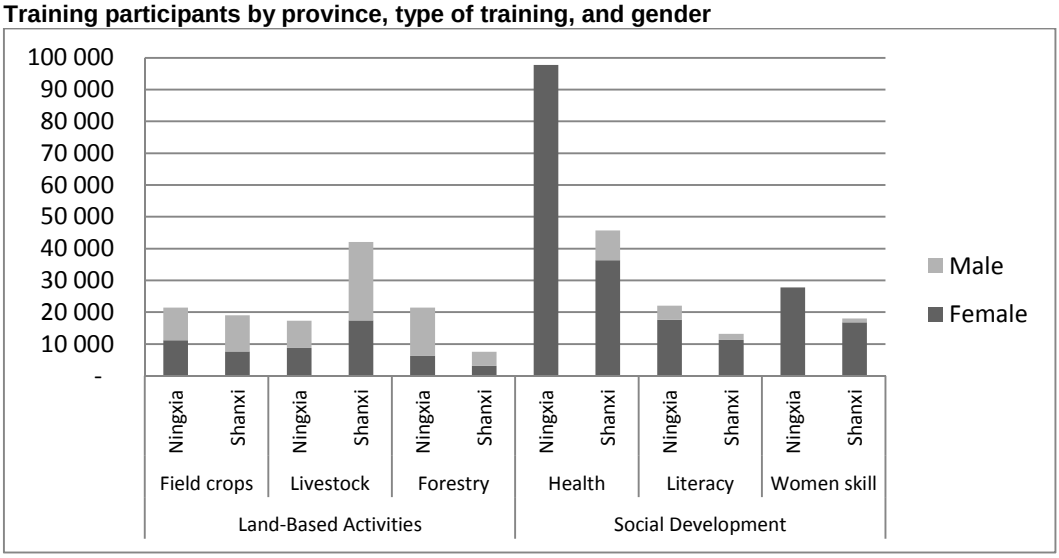
difference analysis conducted by the PPA indicates that the absolute growth of rural net per-capita income growth in the programme area townships did not keep pace with the county-wide absolute growth; (4) government programmes and overall economic and social progress played a much more important role in increasing households incomes and assets. For these reasons, the programme is rated moderately satisfactory (4).

79. Human capital. The programme contributed to human capital through training and through investments into social infrastructure (health, education). There are however no sufficient impact-level data available to establish the contribution of the programme.

80. Training under ECPRPNS achieved significant outreach and, according to the feedback collected during the PPA mission, was an area where the programme achieved significant added value. However, given the amount of training provided, it seems like a missed opportunity that the programme did not monitor the impact that this training had on the capabilities of men and women. In Ningxia, the number of villages and households benefitting from training even exceeded the number of beneficiaries from other components. Outreach has been significant under the social development component, in particular among women. Unfortunately, the programme did not monitor the quality and effectiveness of training and therefore the impact is difficult to assess.[48] Beneficiaries' feedback suggests that the intensity of training, and the focus on practical technology and new varieties suitable for the local context, was well received.[49] The PCR reports that 90 per cent of the participating households adopted new technologies as a result of training and extension services under the programme.[50]

[48] Supervision missions also did not pay particular attention to the quality and effectiveness of the training provided.
[49] Participatory assessments conducted during the PPA mission in Shanxi suggest that technical training and introduction of new varieties were rated significantly higher than other interventions, such as biogas and livestock sheds.
[50] Unfortunately, the programme did not monitor which varieties and technologies were particularly successful.

Figure 2
Training participants by province, type of training, and gender



Source: Compiled from data in ECPRPNS PCR - Ningxia April 2012, Annex VII; ECPRPNS PCR – Shanxi April 2012, Annex VII.

81. With regard to the education sub-component it can be noted that while the programme has successfully rehabilitated a large number of schools (501 schools) it fell short of reaching its stated targets on providing the required equipment and training village teachers.[51] Outreach of the education sub-component has been more significant in Shanxi, where 26 per cent of the (beneficiary) households benefitted from improved education facilities and, according to the PIA (see page 5); this made a significant contribution to human capital. However, it is difficult to establish the contribution this intervention made to improve the education attainments in the programme area. With the nation-wide implementation of the compulsory 9 year free education system, school attendance and the resulting education levels have improved dramatically since the late 90s in the two provinces. A major breakthrough was however the exemption of poor students from school fees which the government started to implement since 2011.[52] This has led to a significant increase of enrolment rates in poverty areas.

82. Although the positive trend can also be observed in the programme area, it cannot be concluded from the available data, that the programme's contribution has made a difference, given the drastic increase of government investments in education over the same period. According to the Ningxia RIMS survey (2011), primary school attendance increased from 98.8 per cent to 99.2 per cent, mainly as a result of the national implementation of the "two exemptions and one subsidy" policy during this period.[53] Primary school enrolment is still below the provincial average in Ningxia (99.5 per cent-99.6 per cent) and below the national average (99.7 per cent in 2013).[54] According to the Ningxia RIMS survey (2011) girls' dropout rate been slightly reduced (1 per cent in 2011 compared to 1.2 per cent in 2006) and it is still higher than the boys' (0.6 per cent). The primary school enrolment rate is significantly lower for the programme area in Shanxi, 96.5 per cent (according to the 2011 RIMS) against a higher provincial average (99.7 per cent-99.89 per cent), although up from 92.3 per cent in 2006.

83. Under the health sub-component, the programme improved basic health facilities, provided training for rural doctors, and raised awareness on health issues among

[51] Table 8 in PCR, p. 12.
[52] The policy was mainly implemented through two ambitious schemes: the abolition of tuition fees, and the policy of "Two Exemptions and One Subsidy" (exemption of textbook fees, exemption of miscellaneous fees and increased subsidy for rural boarding school students).
[53] The survey covered 825 school children in 2006 (416 boys, 409 girls) and 652 school children in 2011 (348 boys, 304 girls).
[54] UNICEF. 2014. Children in China: An Atlas of Social Indicators. Beijing.

rural women. In Shanxi, the programme focussed on building village clinics, while in Ningxia the programme successfully implemented a mobile health service. According to the PIA, the programme's contribution to improving women's health was rated highly in both Ningxia and Shanxi (see page 5 of the PIA). Indicators for women's human capital have improved more dramatically over the programme implementation period in ethnic minority areas in Ningxia, mainly as a result of the implementation of new government health service policies and schemes since the late 1990s (see page 7 of the PIA).[55] However, the free medical check-ups for women provided by the mobile health service in Ningxia have been of added value. According the Ningxia RIMS Survey (2011) household medical expenses have been significantly reduced under the new assistance schemes. At the national level, Ningxia is still lagging behind on key health indicators, such as infant mortality and maternal mortality.[56]

84. Social capital and empowerment. The programme contributed to poor farmers' social capital through strengthening local organizations (including farmers' cooperatives in Shanxi and VIGs in both Ningxia and Shanxi) and through enabling access to financial services. The contribution of the participatory approach to social capital and empowerment was rather modest, given the limited effectiveness of the participatory approach, described earlier in paragraph 32.

85. Support of farmers' cooperatives has been included in the programme in Shanxi, following the 2008 MTR. Unfortunately, based on the PPA team's field visit in Ningwu County in Shanxi, this add-on activity appears to have been inadequately prepared and poorly implemented, and thus its impact has been insignificant. None of the three farmers' cooperatives that the PPA team visited in Ningwu County had good prospects for achieving financial viability, as noted in paragraph 55. Similarly, a tree nursery farmer cooperative was no longer profitable (though participants hoped that market prices for saplings might improve at some point in the future and that profitability might be regained), and a deer antler and egg farmer cooperative was operating at a low level of profitability and the cooperative's manager was not optimistic about the future. The PPA team found that the programme had provided these three cooperatives with inadequate technical, marketing, and managerial support. Ningwu County's failed effort to successfully pilot farmers' cooperatives seems like a lost opportunity, now that the LGOP's new signature "Poverty Reduction through Industrialization" activity concentrates on just this arrangement for the production and processing of local leading products through farmer cooperatives and mutual fund organizations in combination with leading enterprises (see paragraph 55).

86. Access to loans. The major barrier for poor people to access RCC loans is the difficulty in finding the required guarantors. In the case of this programme, the local government provided the necessary guarantees and thus enabled poor people to access RCC loans. Loan applications were prepared for groups of poor farmers eligible for loans under the programme. Ningxia successfully introduced lending groups and established Village Land Associations as internal control mechanisms where each member brought in a share of their land use rights as a loan guarantee. According to the Ningxia PCR, this practice was innovative and highly successful in ensuring loan repayments as well as participation of poor households. The extent to which poor people have been able to access RCC loans under the programme is remarkable (73.2 per cent in Ningxia and 79.4 per cent in Shanxi). These rates suggest that the programme may indeed have improved poor peoples' access to loans. According to a study carried out as part of the 2014 COSOP

[55] These includes National Plans of Action for Women and Children (1990s, 2001–2010, 2011–2020) , the Rural Cooperative Medical Scheme and Medical Financial Assistance Scheme. Since 2009, all rural women in China are eligible to receive a government-funded subsidy for maternity care in a hospital. (UNICEF. 2014. Children in China: An Atlas of Social Indicators. Beijing).

[56] (UNICEF. 2014. Children in China: An Atlas of Social Indicators. Beijing.)

review, programme-supported loans often became an entry point to accessing further loans and other bank services.

87. Overall assessment of human and social capital. The programme placed a lot of emphasis on building human capital, but unfortunately the M&E system failed to adequately capture the results. Official data suggest that the improvement of human development indicators (health, education) in the programme area was in line with the general trends in the provinces. Investments into education and health successfully complemented ongoing government programmes; the mobile health service provided added value. The available data and beneficiaries' feedback during the PPA field visits suggest that the programme's main added value was the extensive training provided, which has well met the existing demand. The overall contribution of the programme however appears satisfactory (5).

88. Food security and agricultural productivity. Available evidence strongly indicates that food security and agricultural productivity improved dramatically in the programme area during the 2002-11 programme implementation period. First, in the Ningwu County programme townships, grain production increased from 168 kg per capita in 2002 to 271 kg per capita in 2014 (see annex VII), or from a situation of significant food insecurity to one of basic self-sufficiency during the project implementation period. Second, the IFAD PIA concluded that: "In general all major food crops had increased even double their yield during project period. The further interview and group discussion revealed that this increase mainly due to new technology (like new varieties), improved irrigation and technical services. These all benefited from the project supporting activities". Third, the Shanxi PCR similarly states that "the food security in the project area has basically been secured. Taking the example of Fanshi County again, the annual per capita food share was increased from 149 kg in 2005 to 313 kg in 2011, an increase of 110 per cent". Fourth, the IFAD RIMS survey collected weight and height for age data for girls and boys in the programme townships and reports that malnutrition rates (for example, as measured by weight for age data) declined from 7.7 per cent and 7.1 per cent for girls and boys respectively at the time of the 2006 baseline survey to just 1 per cent by the time of programme completion. Finally, the IFAD PCR states that the 2006 baseline RIMS survey showed that 36 per cent and 7 per cent of programme farmer households suffered hunger in the Ningxia and Shanxi programme areas respectively, but that the 2011 RIMS survey found that hunger had been eliminated.[57]

89. While it is certain that food security and agricultural productivity improved dramatically in the programme area during 2002-11, it is not possible to convincingly determine how much of this improvement was due to ECPRPNS and how much was due to wider governmental programmes and support and overall economic and social progress. The IFAD PCR states that: "the government statistics which indicate that the average per capita grain production for the programme area increased from 248 kg in 2002 to 479 kg in 2011, showing a higher growth rate than the overall average of all programme counties, 93 per cent vs. 78 per cent though the increase was not only attributable to the programme but a joint effect of multi-factors". The PPA team was able to corroborate the IFAD PCR's observation from figures for Ningwu County in Shanxi. The Ningwu County data (see annex VII) show that rural per capita grain production for the county as a whole increased some 48 per cent from 172 kg in 2002 to 254 kg in 2014, which was somewhat less than the 61 per cent increase (from 168 kg to 271 kg) for the Ningwu County programme area townships. However, as shown in table 5, the PPA team's difference within difference analysis of the Ningxia programme counties' per capita grain production data suggests that there were wide differences between counties in the increase of rural per capita grain production in the programme area

[57] "indicated no household suffering from any hungry season".

townships and the county-wide averages.[58] Specifically, in Tongxin and Yanchi counties the increase in per capita grain production was much greater in the programme townships relative to the county-wide averages, while in Haiyuan and Xiji counties the reverse was true. Overall, at the level of all programme counties in Ningxia, there was no significant difference in the increase of per capita grain production between the programme townships and the county-wide averages (that is, the difference within difference for the Ningxia programme area as a whole is -2). Finally, the IFAD PIA observed that there was a big difference in the gain in agricultural productivity between programme and non-programme villages in Shanxi, but no meaningful difference between programme and non-programme villages in Ningxia. For this surprising finding, the IFAD Participatory Impact Assessment noted that: "the explanation given by the PMOs and villagers in Ningxia is that the non-project village in Ningxia is a government support model village and received lots of supports in the last 5 years".

Table 5
Difference within difference analysis for Ningxia for increase in per capita grain production 2000-11

	County-wide rural net per capita grain production (kg/year)			Programme townships rural net per capita grain production (kg/year)			Difference within difference
Region/county	2000 (A)	2011 (B)	Difference (C) =B-A	2000 (D)	2011 (E)	Difference (F) =E-D	(G) =F-C
Ningxia	429	734	305	334	637	303	-2
Haiyuan	299	669	370	220	541	321	-49
Tongxin	577	904	327	283	814	531	204
Xiji	448	495	47	519	477	-42	-89
Yanchi	487	752	265	233	602	369	-104

Sources: PPA team calculations based on data for 2011 provided to the PPA team, and for 2000 from the ECPRPNS appraisal report annex 5 for Ningxia.

90. Overall, while it is certain that many of ECPRPNS' land based activities contributed to improved food security and increased agricultural productivity, it is also certain that other government support for essentially the same activities (such as virus free potato planting materials and other improved seeds, plastic mulch corn, new irrigation schemes and the rehabilitation of existing irrigation systems, and terracing) were quite widespread across most of the Loess Plateau area during the 1990s and 2000s and resulted in similar gains to food security and agricultural productivity. Therefore, while it is uncertain how much of the gains in food security and agricultural productivity in the programme area can be attributed to ECPRPNS relative to other government support, it is clear that most of the IFAD financed land based activities reached programme households (a) well after other government support, and (b) at a very late stage of the remarkable transformation of Loess Plateau area food security and agricultural productivity. The programme's contribution is rated moderately satisfactory (4).

Natural resources, environment and climate change

91. Environmental conservation. ECPRPNS had a significant focus on environmental conservation and a number of programme activities directly contributed to this focus including land levelling and terracing, construction of check dams and water storage dams, tree and shrub planting, fodder production (mostly alfalfa), and rangeland rehabilitation. In addition: (a) animal shed and greenhouse construction activities were introduced under the programme through the 2008 MTR, and these

[58] The ECPRPNS appraisal report annex 5 for Ningxia reports rural incomes and grain production for the non-Programme townships in each county instead of the county-wide averages (on the other hand, the 2011 Ningxia data provided to the PPA team were county-wide averages, not non-Programme township data). However, it was possible to calculate the county-wide averages from the data provided in the ECPRPNS appraisal report annex 5. To insure comparability, these calculated county-wide averages for the year 2000 are reported in Table 5. Data for Hongsipu County for 2000 were not available, so Hongsipu County is not shown in table 5.

activities further contributed to environmental conservation; and (b) the programme's other activities to support increased agricultural productivity (including crop research, agricultural training, demonstration, and extension, and new and rehabilitated irrigation systems) facilitated intensification and yield increases in flatland agriculture which significantly reduced the need for cropping on environmentally fragile steeply sloped lands. Together, these many programme activities had strong direct and indirect environmental conservation impacts. The most important direct impact was the reduction of soil erosion and water runoff. The ECPRPNS PCR annex "Impact on the Environment" states, for example, that some 8,000 ha of trees and shrubs were planted under the programme, and that each ha of tree and shrub cover is estimated to reduce soil erosion by more than 30 tons and water runoff by up to 1100 cubic meters. Perhaps the most important indirect impact was a gradual "shift from solely exploitation to the development and conservation of natural resources and ecological systems in the programme area". The PPA team observed a particularly profound improvement in environmental conservation in Haiyuan County in the Ningxia programme area.[59]

92. Global Environment Facility (GEF) project. The original programme design foresaw that the environmental impact would be augmented by a parallel project supported by a GEF grant. The GEF supported project was intended to synchronize with ECPRPNS implementation and support the control of land degradation in the ECPRPNS programme area. However, according to the ECPRPNS PCR annex "Impact on the Environment," the GEF project experienced an extended delay due to "re-orientation of GEF policies and other factors," and the focus of the GEF project was subsequently changed to biodiversity conservation. The GEF project was finally approved for implementation in 2011 in connection with the IFAD-financed Gansu Poverty Reduction and Environmental Improvement Programme, and the PPA team confirmed that the Ningwu County Project Management Office was managing implementation of the GEF project in Ningwu in 2015. The GEF supported activities cover at least some of the ECPRPNS programme area as well as some areas outside of the ECPRPNS programme area, but because of the delays in implementation, the project did not support any synergies with the ECPRPNS.

93. While these many programme activities certainly had a significant and positive environmental conservation impact, it is not possible to rigorously determine how much of the profound improvement in the programme area was due to ECPRPNS and how much was the result of the government's well-funded and comprehensive land retirement, grazing prohibition, reforestation, and other environmental protection programs. The ECPRPNS PCR annex "Impact on the Environment" confirms this point by stating that "together with the implementation of national and local programmes and projects of ecological environmental conservation, the forest cover in the programme area in Shanxi province has increased from between 6.3 to 25.0 per cent to between 11.6 to 31.0 per cent" and "together with the government's grazing ban practices, beneficiaries engaged in livestock production in most programme counties have gradually shifted to a cut-and-carry system in livestock production".

94. Overall, this PPA concludes that while the government's land retirement, grazing prohibition, reforestation, and other environmental protection programmes played the primary role in the profound environmental recovery across the Loess Plateau, a range of ECPRPNS activities were fully consistent with and significantly supported environmental conservation in the programme area. The performance is rated moderately satisfactory (4).

95. Institutions and policies. The programme goal of achieving "sustainable and equitable poverty eradication through adoption on a large scale of an integrated

[59] A member of the PPA team visited Haiyuan County in 2000 and the Xihaigu region several times since the mid-1980s.

poverty reduction approach by government and other donors" suggests that there was some ambition to influence government and other donors' poverty reduction strategy. While it is unclear how seriously, if at all, this ambition was taken, it does seem clear that at least the relevant central government agencies (such as LGOP and the Ministry of Agriculture) were not influenced by (and mostly unaware of) ECPRPNS. Central LGOP staff certainly flatly rejected the idea that the ECPRPNS experience has in any way informed national poverty reduction strategy. Similarly, the Ministry of Agriculture was not engaged in ECPRPNS in any meaningful way after WFP's inputs concluded in 2005, and ECPRPNS had no influence on the Ministry of Agriculture's poverty reduction approach.

96. Furthermore, ECPRPNS was essentially two separate programmes in Ningxia and Shanxi which lacked a central management unit, and therefore had very limited cross-training, learning from practice, or dissemination of good practices across provinces and regions. The PPA team also believes that ECPRPNS had no impact on the work or approach of the World Bank or other donors in China. However, while the Shanxi Department of Agriculture had clearly rejected ECPRPNS's multisectoral approach by the time of programme completion, it is possible that both the Ningxia and Shanxi DOAs did internalize a greater understanding of the importance of participation and gender equity which might influence their future work.

97. From its design and intention, the programme should have made a significant contribution to strengthening village-level institutions.[60] The programme's intention was to build a larger and more inclusive group with representation of the poor and women, beyond the prevailing village cadre structure. Capacity building was critical since the VIGs played a pivotal role in implementing the participatory planning and targeting approach.[61] Supervision repeatedly raised the issue that participation in decision making in most cases did go beyond the established village leadership. Unfortunately, the programme did not monitor the performance of the VIGs or progress on institutional capacity building.[62] From the PPA field visits it was not obvious that any capacities have been built beyond the existing leadership structure or that decision-making processes have become more transparent or inclusive. For example, in none of the villages visited, VIG members were able to present or explain programme workplans or budgets and there was no evidence of any new cooperative mechanisms that may have evolved as a result of the programme. The programme's contribution to building village-level institutions appears to have been marginal.

98. The PPA has not been able to determine any significant impact on institutions and policies. Even at local level, the programme's impact seems insignificant. The PCR itself does not present any evidence beyond these observations.[63] Therefore, the programme's impact on policies and institutions is moderately unsatisfactory (3).

99. Overall assessment of rural poverty impact. The PCR failed to present convincing data on poverty reduction and did not include any official statistics. The PPA thus used a difference in difference analysis for key poverty indicators where official statistics had been obtained during the mission. The analysis suggests that the programme's poverty impact has been insignificant on key indicators. For example, the absolute growth of rural net per-capita income in the programme area was below the county-wide average and the increase of per capita grain production in the programme area was similar to the non-programme area. The

[60] The Programme provided a dedicated budget under the management component for building VIG capacities, although from the available budget data the exact amount spent on VIG capacity building has not been broken down.
[61] This consists of an elected Village leader, a CC Party Secretary and a Village Accountant. At village level, there is also a representative of the ACWF.
[62] The Programme only monitored number of VIG members trained. This target has only been achieved in Ningxia.
[63] The evidence presented in the PCR under this criterion mainly refers to training of education, health and extension staff. While the Programme's contribution in this respect has been significant, this has already been covered under 'human assets'. Beyond numbers of participants, the PCR does not contain any evidence that (a) staff qualifications improved significantly; (b) this has led to better performing institutions. Yet, it awards a 'highly satisfactory' rating.

main explanation is that government support to non-programme area villages has been significant, thus matching or even exceeding any poverty impact in the programme area. The programme's contribution to human and social capital has been more significant as a result of the value addition from improved access to health services and technical skills, in particular for women. At the same time the programme has failed to influence institutions and policies. Overall poverty impact is moderately satisfactory (4).

C. Other performance criteria

Sustainability

100. The programme's benefits have been sustainable over the three years since completion in 2012, and they can be expected to be sustained for the foreseeable future. First, the government's commitment to poverty reduction and environmental conservation has been very strong, and President Xi Jinping has recently elevated the government's commitment to poverty reduction to an unprecedented high level. Second, the programme was implemented by government agencies and other organizations (including the ACWF and RCCs) which will almost certainly remain in place for many years to come. Third, most of the physical works which have supported improved agricultural productivity and human development outcomes have been reasonably well maintained, and the associated technology improvements have been widely adopted and can be expected to be retained until even better technologies eventually become available.

101. Government commitment. As noted in paragraph 8, the Chinese government has demonstrated a strong commitment to poverty reduction since the economic reform period began, and the scale and funding of the government's poverty reduction programme are exemplary. Furthermore, the government has recently made it clear that it is now attaching an unprecedented and high level emphasis to eliminate poverty. The first of President Xi Jinping's Four Comprehensives is the eradication of poverty, and he has clearly stated that eliminating poverty is now China's and the party's top priority. Similarly, the strong support for environmental conservation which has underpinned the dramatic environmental improvements throughout the Loess Plateau region will be maintained for years to come. In particular, the land retirement programme guarantees a payment to farm households (on a per mu of retired land basis) which makes land retirement financially advantageous to participating households in the Loess Plateau region. The PPA team's field visit to Hanzhuang Township in Haiyuan County, Ningxia confirmed (a) farm households' eagerness to participate in the land retirement program, and (b) the ECPRPNS PCR annex on the Environment's conclusion that programme area communities' environmental consciousness has been transformed (see paragraph 79).

102. Institutional sustainability. The programme's implementing agencies, including the Department of Finance, Development and Reform Commission, Poverty Alleviation Office, ACWF, the Departments of Agriculture, Livestock, Forestry, Water Resources, Health, and Education, RCCs, and other relevant agencies will all certainly remain in place. On this basis, institutional sustainability was essentially built into the programme design. However, while the implementing agencies will certainly remain intact, it is uncertain how much of the programme's influence on the implementing agencies' operations will be sustained. Most importantly, the Department of Agriculture played the lead role in programme implementation in Ningxia and Shanxi, and the Shanxi Department of Agriculture staff (at the provincial and county levels) clearly informed the PPA team that the programme's multisectoral approach was determined to be unnecessarily complex and burdensome (see paragraph 29). While the Shanxi Department of Agriculture has already reverted back to its standard single sector approach, it is possible that the programme's focus on village level poverty analysis and gender equity will have some impact on the Department's future operations. The adoption of mobile units

for women's health check-ups has certainly had a lasting impact on the Ningxia and Shanxi Departments of Health, and the mobile units now seem to be widely adopted within and outside of the programme area in both Ningxia and Shanxi. Similarly, the programme area RCCs' pro-poor and gender equity focus was certainly enhanced by the programme, and it seems likely that this will have a modestly sustainable impact on the programme area RCCs' future operations. On the other hand, it is expected that the ACWF's experiments with microfinance for women supported by the programme will be short lived. It is unknown, but probably unlikely, that the programme will have any lasting impact on the operations of the other implementing agencies (such as the Departments of Water Resources and Education) engaged in ECPRPNS. Lastly, as noted in paragraph 95, the programme had only minimal interaction with Ministry of Finance, Ministry of Agriculture, and LGOP at the central level and did not, therefore, have any meaningful impact on national poverty reduction policy.

103. Infrastructure and technology. Most of the infrastructure and civil works established under the programme - including terraces, land levelling, irrigation schemes, tree and shrub planting, village schools and clinics, drinking water systems, and many other works - appear to be reasonably well maintained. However, the PPA team did observe several exceptions including the failing financial viability of farmers' cooperatives, non-functional biogas digesters, and disuse of irrigation canal offtake channels in Ningwu County in Shanxi. The technology, environmental, and social improvements supported by the programme – including improved planting materials and animal breeds, farmer and extension agent training, teacher and health care worker training, health care education, land retirement and grazing bans, and other activities – are now widely adopted throughout the programme area and the greater Loess Plateau region, and will almost certainly be sustained for many years to come. Particularly in those villages which received concentrated support through the programme, it is therefore expected that the programme's many infrastructure, technology, environmental, and social activities have indeed led to a sustainable increase in programme area household incomes and assets and community well-being.

104. Overall, because implementation has been embedded within the Government system, many of ECPRPNS' achievements are likely to be sustained. While some infrastructure and other investments have already faltered or failed to be maintained, and the sustainable impact on most of the implementing agencies' participatory pro-poor and gender equity focus has been somewhat limited, the sustainability of the government-led approach to poverty reduction in the Loess Plateau region is rated moderately satisfactory (4).

105. Innovation. The PCRs and IFAD PCR Digest state that the programme's four major innovations were: (a) mobile health services for women's health check-ups and reproductive tract infection treatment; (b) the introduction of technical extension and marketing through farmers' cooperatives; (c) construction of greenhouses for year-round production of high value crops; and (d) institutionalization of participatory techniques. The first of these four innovations does appear to be genuine, and the PPA team was informed a number of times that the Department of Health had developed the mobile health service as a novel solution to the programme's target of improving access to health services for poor women residing in remote locations. This innovation has reportedly been scaled up in Ningxia and Shanxi to some counties outside the programme area. The other three innovations claimed in the PCR documents do not appear to be true innovations or even programme success stories. First, as noted above, Shanxi's efforts to support farmers' cooperatives was poorly designed and implemented, and the three cooperatives visited by the PPA team in Ningwu County were failing due to inadequate programme technical, marketing and managerial support. Second, while the greenhouses visited by the PPA team in

Ningxia were very successful, the greenhouse technology was already well-established in Ningxia and Shanxi and throughout the Loess Plateau region in the 1990s and early-2000s and certainly cannot be considered an innovation. Furthermore, the greenhouses visited by the PPA team in Shanxi were performing very poorly. Third, use of the participatory approach and methodologies was being trialled and supported on a fairly widespread basis in rural China since the 1990s and cannot be considered a programme innovation. In addition, this PPA found that ECPRPNS' support for participation and community empowerment was inferior to that in other programmes elsewhere in China during the 2000s (see paragraph 85).

106. Scaling up. Nearly all of the programme's activities were eclipsed during the 2000s by the rapid pace of rural development and poverty reduction throughout China and in the Loess Plateau region in particular. Most notably, the programme's environmental conservation, education, and health activities were surpassed by massive government support for the land retirement and grazing ban programs, and strong financial support for universal basic education and rural medical insurance schemes. In addition, the ACWF's support for microfinance schemes for poor women was outside its core mandate and capacity, and has not been scaled up. It is also unlikely that the pro-poor focus and increased lending to women achieved in the programme's RCCs will scale up to non-programme area RCCs. In addition, most of the technologies supported by the land based activities component - including virus free potatoes, plastic mulch corn, alfalfa and other fodders, irrigation systems, greenhouses and animal sheds, and other activities – were already widespread throughout the Loess Plateau area before the programme began. Other land-based activities, such as terracing, had been fully developed by the mid-2000s and are no longer supported in the Loess Plateau region. The PCRs point to the scaling up of the programme's innovative mobile health service for women, and it does appear that this approach has indeed spread beyond the programme area in both Ningxia and Shanxi.

107. Overall. The mobile health services for women is the programme's single genuine innovation, and this successful approach has reportedly been scaled up outside the programme area in both Ningxia and Shanxi. However, none of the other innovations identified in the PCRs are valid, and scaling up appears to have been negligible in all cases other than the mobile health services for women. Consequently, innovation and scaling up is rated moderately unsatisfactory (3).

108. Gender equality and women's empowerment. Implementation of activities under the women's development subcomponent started late and disbursements were not fully completed. The Shanxi MTR noted that the implementation of programme activities under this subcomponent progressed very slowly, with an overall financial achievement of about 37 per cent at the time of the MTR (p. 4). Most of the activities had achieved less than 30 per cent of their financial targets, and the implementation of women's microfinance credit activity had been delayed until 2007, achieving only 17 per cent of its physical target. Most of the Shanxi counties had not yet started the women's microfinance credit activities by the end of 2007 (Shanxi MTR, p. 4). By the time of programme completion, Shanxi had only completed 84.9 per cent of the disbursement target (Shanxi PCR, annex 4) and Ningxia completed 93 per cent of the disbursement target (Ningxia PCR, annex 4).

109. Uncertainty about the mandate and capacity of the ACWF for operating the microfinance activity delayed implementation. It seems that the main implementing partners (Department of Finance, Department of Agriculture) were not been comfortable with the role of ACWFs in operating microfinance loans, partly due to concerns about their capacities, and partly because of a lack of legal underpinning.[64] Although it has been rolled out significantly in recent years, the so-

[64] The 2014 COSOP Review noted that getting the ACWF to operate microcredit funds "was not a success: there was resistance both from the AWCF staff who did not consider it their role to engage in rural financial intermediation, and

called “welfare” microfinance loans operated by non-financial organizations, such as the ACWF, generally suffer from the ambiguity of their legal status and capacity constraints, limiting the financial viability and sustainability of the microfinance funds. The performance of the microfinance loans for women varied significantly across the programme area. By the time of programme completion, microfinance loans for women achieved significant outreach and pro-poor focus mainly in Ningxia, where the ACWF provided 6,002 loans to 3,851 households. In Shanxi, the ACWF provided only 628 loans to 617 households and pro-poor targeting remained a concern.

110. As shown in table 6, women’s participation varied widely across components. Women’s participation was very high in the social development component, but was significantly lower in the other components and the target of 40 per cent has not been achieved for financial services in Shanxi. Women’s participation in technical training was also high, although more could have been done to target women through technical training. In Ningxia, women outnumbered men in some activities, in particular crop production and livestock, while in Shanxi women were fewer than men in the technical training offered by the programme. Varying patters of participation can be partly explained to the different roles women have in different aspects of agriculture, as a result of customary division of labour and outmigration.[65]

Table 6
Share of female participants according to components (total programme)

		Total gender	***%***	*Male*	***%***	*Female*	*% Female*
Production and physical works	1. Land-based activities	**238 657**	100.1%	123 398	51.7%	115 567	48.4%
	2. Financial services	**18 485**	100.0%	10 777	58.3%	7 708	41.7%
	3. Social development	**160 116**	100.0%	54 013	33.7%	106 103	66.3%
Technical training	1. Land-based activities	**128 899**	100.0%	74 500	57.8%	54 396	42.2%
	3. Social development	**224 519**	100.0%	16 965	7.6%	207 554	92.4%

Source: ECPRPNS PCR - Ningxia April 2012, Annex VII; ECPRPNS PCR – Shanxi April 2012, Annex VII.

111. In Ningxia, women were successfully mobilized for training provided under the social development component (97 per cent of the participants were women). Having a central coordination structure for the social development component was clearly a factor for success. The Manager for Women’s Development and Advancement was responsible for the implementation of the social development activities and coordination of all activities related to women. This arrangement proved effective in mobilising women to participate in activities implemented by the ACWF, such as the anti-illiteracy movement, skills training, training for income-generating, and microcredit income-generating programs. By the time of programme completion, 49,880 women had taken part in the illiteracy elimination and skills training activities (Ningxia PCR). For the same reason, participation of women in awareness raising activities provided under the health component was very high in Ningxia.

112. However, high numbers of participation do not necessarily mean that women adopted new skills and used them to improve their livelihoods. Unfortunately, the effectiveness of training provided by the ACWF, in particular the suitability of training contents and methods to enable effective skills development among poor

also from the project management office staff who were concerned about the capability of the ACWF component to manage the project.”

[65] The PIA explains this “feminisation of agriculture” in Ningxia as a result of outmigration and women increasingly taking over responsibilities in agriculture, in particular food crop and livestock production (PIA, p. 8). Female outmigration was lower in Ningxia project counties compared to Shanxi (according to data included in the appraisal report). The project documentation does not provide a differentiated analysis of gender roles in agriculture in the two areas (and ethnic groups) and how they have been affected by migration.

women, cannot be taken for granted and there is hardly any evidence provided by the programme to demonstrate training outcomes.[66] Literacy training obviously has been well received, although it is questionable how much can be achieved within a one week's course. The main purpose of the training, as cited by the implementers interviewed during the PPA mission is "to teach women how to write their name".[67] Nevertheless, it can be concluded that exposure to training has strengthened the confidence of ethnic minority women in Ningxia, as did the access to microfinance loans.

113. It is even more difficult to ascertain the results from the combined activities that have targeted women. Evidence on gender results is very patchy and does not facilitate the assessment of major outcomes beyond the high numbers of women's participation in project activities. The PIA suggests that certain results on gender equality and women's development have been achieved, in particular in Ningxia. Generally, it seems that the women's loans and skills training, as well as health and education related activities, have led to some positive results (see page 6 of the PIA). In the project villages visited in Ningxia, the provision of microfinance loans by the ACWF has visibly empowered poor women. A general observation is that indicators for women's human capital have significantly improved over the programme implementation period in ethnic minority areas in Ningxia (see page 7 of the PIA). However, as discussed above, the programme's contribution may have been minor compared to that of major government policies on health and education being implemented over the same period.

114. Overall. Participation of women in programme activities has been impressive, in particular in Ningxia. The PPA observed that access to micro-credit and exposure to training appear to have strengthened the confidence of ethnic minority women. However, the limited coverage of the integrated set of programme activities targeting women also suggests that noteworthy results on gender equality and women's development have been achieved only in a smaller number of villages in Ningxia and, to an even lesser extent, in Shanxi. Performance on gender equality and women's development is rated satisfactory (5).

D. Performance of partners

IFAD performance

115. Design. IFAD design effort was recorded through good quality and copious documentation. It should be noted that the preparation work appears to have: (a) underestimated the difficulties that the primary implementing agencies within Ningxia and Shanxi (that is, the DOAs) would experience in orchestrating a complex multisectoral programme involving a number of other implementing agencies (perhaps only the DOFs or Development and Reform Commissions within Ningxia and Shanxi would have had sufficient convening power to have been fully successful); (b) misjudged the programme stretch and the operational costs this would imply; and (c) minimized the concern that the microfinance for poor women activity was outside the core mandate and capacity of the ACWFs. Overall, however, IFAD's contribution to programme design and preparation was strong and thorough.

116. Participatory approach. IFAD grossly underestimated the effort it would take to overcome barriers to broad-based participation of poor and marginalized groups in China. The quality of guidance for the preparation of VDPs, as provided by the programme,[68] was far below VDP guidance prepared by similar foreign-funded programmes at the same time (such as the World Bank and AusAid). Supervision missions did not include specialists on community driven approaches and efforts to

[66] Supervision missions did not pay particular attention to the quality and effectiveness of the training provided. The Programme itself did not collect any data on the success and effectiveness of the training provided.
[67] The 2014 COSOP Review noted that agencies involved in providing training under IFAD supported programmes are usually not familiar with the principles of adult learning.
[68] A guidance document (in Chinese) was provided by the provinces during the PPA mission.

reinforce the participatory approach appeared half-hearted. There was also no follow-up on the intentions for participatory technology development (despite the assertion in the programme design documents that there would be such follow-up).

117. Supervision. The programme design covering two provinces essentially meant implementation of two parallel programmes. Without a central coordination structure, this type of set-up has significantly increased the transaction costs for IFAD, having to address similar implementation issues in both provinces through supervision. After having taken over supervision, IFAD has maintained a high frequency of missions (1-2 per year), although the relatively limited range of expertise within the supervision teams seems to have been a factor limiting effective support on critical issues. For instance, all supervision missions have been led by the same national consultant and the IFAD supervision team did not include specialists on rural credit, rural cooperatives, community driven development or M&E.

118. MTR. While the causes of the extremely lengthy lag in programme disbursements and implementation were partially outside of IFAD's control, IFAD's response to this severe problem was inadequate and tardy. First, the reliance on UNOPS during 2006-08 directly contributed to the very slow initial disbursement levels and implementation during that period. Second, the change of responsibility on the Government side was not used as an opportunity to address some of the design issues before the loan became effective in 2005. Third, the extensive 2008 MTR exercise had to introduce piecemeal changes within the limitations of the existing budget and financing agreement which could not adequately update the programme design to fully adjust for the remarkable changes in rural poverty reduction and environmental conservation achieved during the 2000s. The logic behind the MTR changes in the programme goal and objective was not adequately explained in the MTR report, and it is not clear that these changes were fully understood by the Ningxia and Shanxi programme management teams. Fourth, the switch to the RIMS approach in 2007 undermined the quality and effectiveness of programme M&E and the final completion evaluation work. Finally, with IFAD's fuller engagement in the programme beginning in 2008 and the push to expedite implementation during 2009-12, some new activities (such as the farmers' cooperatives in Shanxi) appear to have been poorly prepared and inadequately supported.

119. RIMS. IFAD clearly has to take responsibility for the failure of the M&E system to produce meaningful outcome and impact-level data. Despite the obvious flaws of the M&E design, some efforts had gone into the collection of baseline data as part of the design, but the introduction of the RIMS has made those indicators and data redundant. The revised indicators were monitored through RIMS surveys, household surveys and the PMO's M&E reports. All three impact-level indicators have been monitored through surveys conducted by the PMO. The RIMS baseline survey was conducted in 2007 and an end-of-project survey in 2011 (both available for Ningxia). However, as noted earlier, there were several issues limiting the usefulness of these data. (1) RIMS data collection focussed on high-level impact indicators for which a direct attribution from the programme would be difficult to establish (such as child malnutrition and adult literacy) and/or for which reliable data are hard to come by; (2) The "baseline" was conducted in 2007, at a time were the WFP completed were already completed; (3) The RIMS indicators were not aligned to the government monitoring system;[69] and(4) The functioning and costs of the RIMS software created an additional layer of complication for programme staff.

[69] The Ningxia 2007 RIMS reports highlights a number of challenges limiting the validity and applicability of the M&E system.

120. PCR ratings. A final misstep was the IFAD PCR Digest's lack of candour and failure to acknowledge any significant shortcomings in programme design or implementation. The Ningxia and Shanxi PCRs may have been overly generous in their assessments of the programme's effectiveness and impact, but these documents did certainly highlight several important difficulties including discontinuities in procedures and guidance, and the limited concentrated coverage in most programme villages. For example, the Ningxia and Shanxi PCRs highlighted the failure to "synchronize" the WFP and IFAD implementation periods, but the IFAD PRC Digest converted this shortcoming into a positive by incorrectly concluding that this was "outweighed by the benefit of having the food security needs addressed first through WFP's assistance before embarking on training and investments activities". The IFAD PCR Digest also (a) implied that the programme was responsible for the sharp reductions in poverty and food insecurity in the programme area, but does not provide the difference within difference analysis which could have helped to distinguish the programme's impact from the impact of wider governmental programmes and support and overall economic progress in rural Ningxia and Shanxi, and (b) concluded that the "Programme also had an important impact on farmers' cooperatives" when it instead appears that Shanxi's programme support for farmers' cooperatives was largely unsuccessful.

121. Overall, IFAD's performance was overall satisfactory during design, but technical support to implement what was an ambitious and complex design was insufficient. The response to rectify some shortcomings of the design came at a late point. Support to strengthen the performance of the participatory approach and the M&E system were inadequate. The support to programme completion was insufficient and PMD ratings at the point of completion were inappropriate. For these reasons, IFAD's performance is rated moderately satisfactory (4).

122. Government by and large fulfilled its role and responsibilities in this programme. An admirable job was done in the preparation, implementation, monitoring, and evaluation of this complex multisectoral programme, despite the challenges described above.

123. Counterpart funding. Government funds were adequately provided through multi-channels, generally through the rural and agricultural development and poverty reduction funds from different levels of governments. By the last supervision mission in 2011, Ningxia had 97 per cent of government funding and 95 per cent of beneficiary funding accounted for. Shanxi had 92 per cent of government funding and 132 per cent of beneficiary funding accounted for. Government funding generally followed project financing proportionally in both Ningxia and Shanxi, though the latter was reported to have greater issues. Firstly, government funding experienced delays at MTR, 2009, and 2011. Secondly, and more serious, was the fact that in 2011 the government advanced US$3.3 million as IFAD financing to programme implementation, to be reimbursed. No explanation is given for the reason behind the advance, though it reflects a need to supplement slow disbursement of the special accounts.

124. Fiduciary management. Government by and large fulfilled its responsibilities with regard to fiduciary management. Neither province showed any non-compliance with the loan agreement between MTR and the final supervision mission. Both provinces experienced delays in complying with incorporating the Women's Federations into programme management, in completing baseline surveys, and in conducting field demonstrations in poorer farm plots, though Shanxi had further management issues in opening accounts at the provincial, county and township levels.[70] Auditing standards fully complied with IFAD requirement. Both provinces had issues raised, which ranged from incomplete compliance of IFAD audit

[70] Ningxia Supervision Mission 2006 March, annex 1-D, p. 19-24; Shanxi Supervision Mission 2006 March, annex 1-D, p. 24-29.

requirements at MTR, to delayed disbursements and dwelling of counterpart and loan funds at the end of the project.[71] Procurement was through local shopping, local competitive bidding and through the force account. Ningxia experienced some problems due to errors in translation, while Shanxi had broader problems with procurement plans due to misunderstandings of a new IFAD procurement template, which required training of local program staff.[72]

125. Staffing. The IFAD supervision mission reports regularly mentioned that the programme management systems were inadequately staffed, and that implementing agency coordination was low and problematic. In frank discussions with Shanxi PMO provincial and county level staff within the Department of Agriculture system, the PPA team was informed that these staff (a) had been terribly overworked (working until midnight for long stretches in some cases), (b) were largely constrained to engage “temporary” employees instead of full time government staff, at least at the county level, which resulted in high turnover levels and decreased effectiveness, (c) did not have the convening power to compel action or compliance among the many other implementing agencies (many of the other implementing agencies had higher level positions within the Provincial government). On the other hand, it was also reported that Programme Leading Groups were instrumental in addressing the more serious issues. The PPA team found that the programme management staff exhibited remarkable determination and commitment in overcoming these many constraints and, overall, did a remarkable job of maintaining quality implementation.

126. M&E. Programme management has demonstrated a high degree of commitment to implement what was a fairly extensive M&E system. Both provinces had dedicated M&E staff. The main constraint for the M&E system was that it was not computerized and mainly depended on paper forms which were collated by the provincial PMO. The PPA mission was impressed by the amount of documentation that has been accumulated in the counties and provinces. Both provinces implemented baselines, monitoring of activities and outputs as well as end-of project surveys. A major shortcoming of the system was that it did not allow to crosscheck data collected from implementing agencies and at village level. The programme documentation is extensive. Finally, although the Ningxia and Shanxi PCRs were perhaps overly generous in their assessments of the programme’s achievements, the documents did highlight several important challenges in their lessons learned discussions.

127. Overall, Government has fulfilled its obligations and it has done its best to overcome the various implementation challenges. However, the government’s decision in 2002 to switch the channel for IFAD funding from the Ministry of Agriculture to the Ministry of Finance (see paragraph 19) led to a lengthy delay in achieving effectiveness of the IFAD support. Overall, therefore government performance as moderately satisfactory (4).

E. Overall project achievement

128. ECPRPNS was well prepared and highly relevant at the time of preparation. The PPA team’s review of the substantial amount of preparation documentation found that most aspects of the programme design were carefully investigated and recorded in significant detail. The appraisal documents identified seven causes of poverty and environmental degradation in the programme area, and the multisectoral approach was an appropriate mechanism to attack these multiple challenges at the time of programme design. The programme area was certainly one of the poorest areas in China and the location of some of the worst environmental degradation in the country. Considerable effort was undertaken during preparation to target the programme benefits to the poorer households in

[71] Ningxia Supervision Mission 2011 October, p. 8; Shanxi Supervision Mission 2011 October, p. 9.
[72] Ningxia MTR 2008, p. 8; Shanxi MTR 2008, p. 9.

the programme area. Implementation of the programme's many activities was largely successful, and the overall achievement of the 58 physical output targets was satisfactory. Particularly in villages which received a concentrated share of activities, the programme certainly contributed to a sustainable reduction in poverty and improvement in environmental conservation. In addition, programme efficiency was moderately satisfactory, with almost all of the IFAD funding being fully disbursed and with favourable estimated rates of return on most activities.

129. An extraordinary lag in implementation and disbursements significantly eroded the programme's relevance, effectiveness, and impact. Furthermore, the thin programme stretch further undermined its effectiveness and impact. By the time the bulk of IFAD funding was being disbursed (that is, during 2009-12, or nearly a decade after design and appraisal), there realities in the programme area had dramatically changed and the ECPRPNS concept and design were of only limited relevance. Massive government support for basic education and health in rural areas, and for environmental conservation in the Loess Plateau region in particular, undermined the necessity of the: (a) programme activities in support of basic education and health, and environmental conservation; and (b) multisectoral approach. In addition: (a) the programme's complexity and targets exceeded the capacity and mandates of some of the key actors, in particular the provincial DOAs and ACWFs; (b) effective programme management was undermined by three successive changes in procedures, guidelines, and requirements; (c) the effectiveness of the M&E system was eroded by the switch to the 2007 RIMS approach and by the limitations of the VAM tool in monitoring pro-poor targeting; (d) only a limited number of programme area villages received a concentrated amount of programme benefits; (e) the participatory approach was implemented in a rather superficial way and did not address the specific needs of the poorest groups and ethnic minority woman; and (f) there was very little impact on national poverty reduction policy or even dissemination of good practices outside the programme area.

130. While the causes of the extreme lag in programme disbursements and implementation were partially beyond IFAD's control, the long delay, the programme stretch and other problems meant that ECPRPNS did not achieve its full potential. Overall, the PPA found that the programme performance was moderately satisfactory (4).

Key points

- Ambitious design. The design was relevant, but ambitions given the size of the programme are and the capacities on the ground. The multisectoral approach became a major challenge for field implementation staff. The targeting approach was simplified in the process.
- Significant delays. Some 75 per cent of IFAD funding was disbursed during 2009-12, or nearly a decade after ECPRPNS preparation, and the rural development, poverty reduction, and environmental conservation context in China changed greatly during the 2000s.
- Outdated approach. The multisectoral approach was appropriate at the time of programme preparation in 2000-01 when the causes of poverty and environmental destruction in the Loess Plateau region cut across agricultural productivity, over-exploitation of the arable and pasture land bases, and inadequate access to basic education, health, and other social services, but was no longer appropriate at the time that most of the IFAD funding was disbursed (that is, during 2009-12).
- Poverty targeting. Geographic targeting of poor township and villages was satisfactory. But, the relative simplicity of the poverty targeting tool prevented a better understanding of the socio-economic variation in the programme area.
- Programme stretch. Although some training, improved planting materials, and other programme activities allowed most of the target population to receive some benefits, only a limited share of programme area villages received concentrated programme support through location specific activities such as irrigation systems, animal sheds, and greenhouses.
- Satisfactory implementation. Despite these limitations, the programme was well implemented and most activities achieved their physical output targets.
- Moderate contribution to reductions in rural poverty and improved environmental conservation in the programme area, given the overall scale of government investments.
- Superficial participation. Initial efforts to establish the participatory approach were not followed through during programme implementation. Attempts to link Annual Work Plans and Budgets with participatory village development plans were abandoned after 2008.
- M&E system. Substantial efforts went into establishing an effective M&E. These were however undermined by the switch to the RIMS approach in 2007. The RIMS survey data were not an adequate basis to evaluate programme impact.
- Poverty monitoring. The tool for categorising households according to their perceived poverty status was of limited use in terms of comparing and aggregating data on poverty status.
- Gender equality and women's empowerment. The programme successfully mobilized large numbers of women. It did however have a differentiated approach to target poor ethnic minority women.
- Limited impact on policies and institutions. The relevant central government agencies (including the Ministry of Agriculture, Ministry of Finance and LGOP) had only very limited interaction with ECPRPNS and were not influenced by the programme.
- Loss of candour. The Ningxia and Shanxi PCRs highlighted several important difficulties including the discontinuities in procedures and guidance, and limited concentrated coverage (that is, being "stretched too thin"). However, this candour was not apparent in the final IFAD PCR Digest document.

IV. Conclusions and recommendations

A. Conclusions

131. China had a remarkable success in reducing poverty and the continued commitment of the Government to address poverty issues had created windows of opportunity to implement localized approaches that would lift those remaining in poverty, mainly ethnic minorities living in remote and ecologically fragile areas, out of poverty. In the case of ECPRPNS the focus was on addressing critical environment-poverty linkages in ecologically fragile and ethnic minority areas in the Loess Plateau region.

132. The ECPRPNS has been a well implemented programme that addressed the multiple causes of poverty in remote and environmentally fragile areas. Land-based activities to rehabilitate the eroding natural resource base and at the same time increase land productivity and livestock numbers have been at the heart of the programme and they attracted the lion share of the programme funding. At the same time it seems that interventions implemented within the social development component had a more significant poverty impact, mainly because (a) they benefited a larger number of the poor, particular women, and (b) health and education standards improved radically following the adoption of major policies during the programme period. While it is difficult to attribute the improvement of key health and education indicators to the programme, it clearly added value through the massive amount of training provided. Training and small loans provided to women have been a major success, despite the absence of a strategy to specifically target ethnic minority women. Questions remain if IFAD's support could have been mobilized in a more timely manner and how it could have adapted its approach more effectively to the rapidly changing context.

133. The complexity of the approach and the programme stretch, covering two provinces and 12 counties without a central coordinating unit, certainly presented a challenge for effective supervision, management and strategic reorientation, as evidenced by the very different performance of the two provinces. The thin stretch of programme funds and activities over a large programme area was a major concern for Government. ECPRPNS was essentially two separate projects, as also evidenced by the very different performance and results in Ningxia and Shanxi. The relevant central government agencies (including the Ministry of Agriculture, Ministry of Finance and LGOP) had only very limited interaction with ECPRPNS and were not influenced by the programme. Because of this decentralized implementation approach (at the provincial and regional levels) and without a central coordinating unit, learning from practice and dissemination of good practices across provinces and regions was limited.

134. Missed opportunities to address environment-poverty linkages in a strategic way. Although it has delivered a number of impressive results, the programme failed to stand up to its original intention and purpose. In particular it did not deliver the transformative approaches or innovative practices that could have informed ongoing Government programmes and policies for poverty reduction in environmentally sensitive areas. For example, although the programme implemented a number of sustainable farming practices, it seems that it did not systematically advise, monitor, and share good practices that have made farming systems more sustainable. Another missed opportunity is the failure to engage more systematically in the transformation of agriculture as a result of migration, for example by addressing the specific issues of female farmers. In conclusion the programme has missed potential entry points for supporting the transformation of ecologically fragile poverty areas in a more strategic way and for generating good practices that could be scaled up through the Government's own poverty reduction programmes. Sustainable transformation of smallholder production systems and

cooperative approaches to technology development and marketing will however remain important themes for IFAD in the context of poverty reduction in China.

135. Late start-up and slow implementation. The extreme effectiveness gap led to some 75 per cent of IFAD funding being disbursed during 2009-12, at a time when poverty reduction, and environmental conservation context in China had been transformed and the ECPRPNS concept and design were of limited relevance. Slow disbursements and cumbersome procedures have dampened Governments enthusiasm and stretched implementation beyond a reasonable time frame. In addition, the programme management system staff endured major changes in procedures, guidelines, and requirements for reporting, withdrawals, M&E work, and other tasks during the successive WFP (2002-05), UNOPS (2006-08), and IFAD (2009-12) implementation periods. These excessive changes in procedures and guidance burdened the programme management system staff with the need to update their knowledge of external processes on a regular basis and played the major role in the initial heavy lag in IFAD disbursements during 2006-2008. Not only has this dampened Government's interest in this programme. Also, the economic changes experienced by men and women in the programme areas meant that the programme struggled to accommodate changing priorities for agricultural production.

136. Limited impact on local institutions: Although it involved a number of partners at local level in the implementation of innovative pro-poor solutions, the programme did not have a significant impact on local institutions, mainly because of the inadequate technical support to consolidate emerging good practices and create effective institutional linkages. The limited influence on the RCC to change their banking practices is one example. As noted by the COSOP Review (2014) IFAD did not build strong institutional links between the work on the ground and the policy discussions taking place at the national level in ECPRP and other programmes. Because of that lack of linkages IFAD also missed important opportunities to contribute to the wider knowledge in China on rural credit, which reduced relevance considerably (p. 35).[73] Similarly, IFAD used the window of opportunity created by ECPRP to engage in the support of farmers' cooperatives in a rather haphazard way. For a more strategic approach it could for example, have supported the institutional growth of farmers cooperatives through appropriate advice and created linkages with similar initiatives within the province and beyond. Finally, with limited technical support to promote a deeper and more empowering approach to participation, the impact on community-level organizations was minor. To leverage some good practices in those areas that were critical and potentially innovative it would have required more substantial technical and managerial support from IFAD. An important lesson here is that without substantial specialist expertise consistently provided over a number of supervisions, IFAD will not be able to achieve a significant impact on local institutions in China.

137. Missing strategic partnerships. The programme was designed in partnership with WFP; it was meant to complement WFP's food-for-work approach. For poverty targeting, the programme used WFP's trialled and tested VAM approach, which was by and large successful for targeting the poorest townships and villages. The WFP-supported part of the programme was speedily implemented and closed at the time when the IFAD-supported part started to disburse. As a result, this strategic partnership did not come to fruition. Given IFAD's limited country presence, it would have benefitted from linking this programme with similar initiatives that were supported by other donors in the same period and region. It is surprising to see that this programme operated in splendid isolation from other initiatives, such as those supported by World Bank and the Department for International

[73] One example noted by the COSOP Review is that RCCs were spending time inputting data into monitoring systems solely in order to maintain compliance with IFAD requirements, rather than a management information system to assess how investment in project areas was developing.

Development, that have created important insights and lessons with regard to environment-poverty linkages in the Loess Plateau region. ECPRPNS may have benefitted from the expertise built up in those initiatives, for example by expanding the pool of consultants used for supervision or through joint supervisions.

B. Recommendations

138. An Analysis of the factors limiting the relevance, effectiveness and impact of the ECPRPNS highlight the need to stay abreast China's rapid development, which emerges as a key challenge for IFAD. The PPA offers the following recommendations that should assist IFAD in learning lessons from ECPRPNS and strengthening its comparative advantage.

139. Targeting. Continue focus on chronic poverty and ethnic minorities, but develop more sophisticated strategies to ensure that the economically active poor benefit. With its specific focus on smallholders and ethnic minorities, IFAD has been well placed with ECPRPNS and other programmes that target the chronic poor in remote and ecologically fragile areas. The rapidly changing social and economic context means that IFAD has to adjust its approach in targeting the rural poor, building on what has worked well before. Since chronic poverty is persistent, IFAD should maintain a focus on areas that have a potential for agricultural production, but are environmentally fragile and mainly inhabited by ethnic minorities. Targeting of those areas needs to ensure strategic fit with the LGOP's approach of targeting poor areas, to avoid redundancy and to ensure IFAD's added value. For socio-economic targeting, IFAD should adopt more sophisticated analytical tools that are able to capture the increasing differentiation within the rural population. In the case of a rapidly changing rural population, specific strategies are needed to target unskilled youth, returning migrants and female farmers. IFAD's targeting approach should be informed by the available body of poverty analysis produced by World Bank and national think tanks.

140. Partnerships. Stronger engagement in partnerships, to improve performance on the ground and learn from partners' experience. IFAD should not be complacent with what it has achieved in China. This PPA has shown that IFAD needs to strengthen its engagement and presence on the ground, to improve performance and impact of its operations. A more strategic approach partnership will be a key aspect of this engagement. The PPA offers the following three specific recommendations with this regard:

(a) Beyond programme supervision. Provide adequate levels of technical support and link programme partners for mutual support and learning. Even in a country as large and complex as China, IFAD has to build and maintain a large number of partnerships at national and provincial levels. In the case of ECPRPNS, IFAD has struggled to maintain adequate levels and quality of technical support throughout the implementation period and with regard to specialist issues (e.g. rural credit, cooperatives, participation and M&E). IFAD needs to have sufficient capacity on the ground to engage in a continuous dialogue with provincial-level partners and have a sufficiently large pool of consultants to mobilize appropriate levels of specialist inputs when needed. IFAD should also pay attention to maintaining partnerships that have been built in earlier programmes, such as ECPRPNS, and that could inform ongoing initiatives. It should support networking and exchange among programme partners, for lessons learning and peer support, for example during mission wrap-ups and annual COSOP review.

(b) Learning and knowledge. Critically review and share good practices from ECPRPNS in cooperation with Ministry of Finance, Ministry of Agriculture and LGOP. The programme set out to test new approaches to address critical environmental-poverty linkages. The Ministry of Finance should be encouraged to document and review the unique experiences and practices of ECPRPNS and

other projects in cooperation with the Ministry of Agriculture. Furthermore, IFAD should carefully review and evaluate new practices before recommending them for scale up. For example, a number of approaches that were hailed as innovative or successful by the programme, were found to be less effective by this PPA (e.g. the cooperatives, the micro-credit approach and the participatory approach). They should be critically reviewed before disseminating them as good practices. In addition, IFAD should encourage the Ministry of Finance to support the documentation and sharing of programme lessons experiences in cooperation with the Ministry of Agriculture and the International Poverty Reduction Center in China, e.g. through a national workshop or conference.

(c) Strategic partnerships. Build strategic partnerships to (a) ensure strategic fit with what others are doing and avoid duplication; (b) share good practices and learn from what has worked elsewhere; and (c) benefit from specialist expertise. Engaging on poverty reduction in a Middle Income Country provides particular opportunities and challenges. After most bilateral donors have withdrawn their support from China, IFAD, together with the World Bank, has a unique opportunity to become an influential voice for the sustainable transformation of agriculture with a particular focus on smallholders and ethnic minorities. This PPA supports the earlier recommendation of the CPE that IFAD should pursue strategic partnerships with national and international organizations active in the rural sector for knowledge sharing and, where appropriate, for cooperative approaches in implementation (e.g. for supervision) with the purpose of mutual learning and improved flow of information and specialist inputs to IFAD-supported programmes. In particular, the World Bank's current initiative to support cooperatives in rural China will be of interest for IFAD. Furthermore, IFAD should seek strategic fit with the LGOP's Outline (2011).

141. Monitoring and evaluation. PMD should: (a) design key performance indicators that are linked to the intervention logic at realistic levels and that can actually be monitored and evaluated at programme level; (b) build on national data systems; and (c) secure credible data and statistics at the point of programme completion. The ECPRPNS provides a case for a programme where implementing partners were fully committed to implementing an extensive M&E system which still failed to deliver as a result of new approach (RIMS) being introduced at an advanced point of implementation. Not only did the RIMS disrupt the existing M&E approach and ignored existing data sources, it also pointed the programme into a direction which made it impossible to evaluate its impact.

Rating comparison

Criteria	*IFAD-PMD rating 2013*[a]	*PPA rating 2015*[a]	*PMD-PPA disconnect*
Project performance			
Relevance	6	3	-3
Effectiveness	6	4	-2
Efficiency	5	4	-1
Project performance[b]	**6**	**4**	**-2**
Rural poverty impact			
Household income and assets	6	4	-2
Human and social capital and empowerment	6	5	-1
Food security and agricultural productivity	5	4	-1
Natural resources, environment and climate change	5	4	-1
Institutions and policies	6	3	-3
Rural poverty impact[c]	**5**	**4**	**-1**
Other performance criteria			
Sustainability	5	4	-1
Innovation and scaling up	5	3	-2
Gender equality and women's empowerment	5	5	0
Overall project achievement[d]	**6**	**4**	**-2**
Performance of partners[e]			
IFAD	5	4	-1
Government	5	4	-1
Average net disconnect			**-1.4**

[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] This is not an average of ratings for relevance, effectiveness and efficiency.
[c] This is not an average of ratings of individual impact domains.
[d] This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, rural poverty impact, sustainability, innovation and scaling up, and gender.
[e] The rating for partners' performance is not a component of the overall assessment ratings.

Ratings of the Project Completion Report quality

	PMD rating	*IOE PCRV rating*	*Net disconnect*
Scope	6	5	-1
Quality (methods, data, participatory process)	6	4	-2
Lessons	6	4	-2
Candour	6	4	-2

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

Basic project data

				Approval (US$ m)		*Actual (US$ m)*	
Region	Asia and the Pacific		Total project costs	90.3		100.3[a]	
Country	People's Republic of China		IFAD loan and percentage of total	28.97	33.84	33.84	33.7%
Loan number	600-CN		Borrower	46.94	46.83	46.83	46.7%
Type of project (subsector)	Agricultural Development		World Food Programme	7.28	6.68	6.68	6.7%
Financing type	F		Beneficiaries	7.12	13	13	13%
Lending terms[b]	Highly Concessional						
Date of approval	11 December 2002						
Date of loan signature	21 February 2003						
Date of effectiveness	11 February 2005						
Loan amendments	25 March 2009 (1) 20 April 2011 (2)		Number of beneficiaries:	300 000 households 466 855 people		261 282 households 419 661 people (direct beneficiaries; Indirect beneficiaries 388 088)	
Loan closure extensions	9 months, from September 2011 to June 2012						
Country programme managers	E. Martens T. Rath S. Jatta		Loan closing date	30 September 2011		30 June 2012	
Regional director(s)	T. Elhaut H. Kim		Mid-term review			June 2008	
Project completion report reviewer			IFAD loan disbursement at project completion (%)			97.95[c]	
Project completion report quality control panel			Date of project completion report			Not stated in PCR, Nanxi and Shanxi PCRs completed April 2012	

a. The PCR explains changes in the performance of financiers: "the CNY which was the actual currency for the program implementation was appreciated by about 24 per cent against the US$ from appraisal to completion of the program, whilst the exchange rate between US$ and SDR also fluctuated significantly in the period. The net result of exchange rate fluctuations was a decreased value of the IFAD loan funds in CNY over 33 million for the program implementation, but an increased value of the loan funds in US$ about 9 million. This situation was reviewed at MTR in May 2008".

b. There are four types of lending terms: (i) special loans on highly concessional terms, free of interest but bearing a service charge of three fourths of one per cent (0.75 per cent) per annum and having a maturity period of 40 years, including a grace period of 10 years; (ii) loans on hardened terms, bearing a service charge of three fourths of one per cent (0.75 per cent) per annum and having a maturity period of 20 years, including a grace period of 10 years; (iii) loans on intermediate terms, with a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate and a maturity period of 20 years, including a grace period of five years; (iv) loans on ordinary terms, with a rate of interest per annum equivalent to one hundred per cent (100 per cent) of the variable reference interest rate, and a maturity period of 15-18 18 years, including a grace period of three years.

c. The PCR states that SDR 646,537.59 is still pending for payment to Shanxi.

Source: IFAD (2002). *Report and Recommendation of the President on a Proposed Loan to the People's Republic of China for the Environment Conservation and Poverty-reduction Programme in Ningxia and Shanxi*, December 2002. IFAD (2003).

Terms of reference

I. Background

1. The Independent Office of Evaluation of IFAD (IOE) will conduct a project performance assessment (PPA) of the Environment Conservation and Poverty Reduction Programme in Ningxia and Shanxi (ECPRPNS) in the People's Republic of China. Only completed programmes are selected for a PPAs[1] for which a project completion report (PCR) had been prepared by the Government. In the case of the ECPRPNS, an assessment of the project was undertaken during the China Country Programme Evaluation (CPE) in 2013.

2. IOE decided to select the ECPRPNS for a PPA following consultation with the Ministry of Finance, also as an activity to implement the Statement of Intent[2] dated September 2013 between IOE and the Ministry of Finance for evaluation capacity development in China.

3. The ECPRPNS was selected based on careful consideration of all other recently closed projects in the country. For example, IOE already conducted a PPA of the Rural Finance Sector Programme in 2013. Moreover, IFAD Management is currently conducting impact evaluations of the South Gansu Poverty Reduction Programme (closed in March 2013) and Sichuan Post-Earthquake Agriculture Rehabilitation Project also closed in March 2013. Therefore, the ECPRPNS was selected to avoid duplication with previous IOE or on-going evaluations by the IFAD Management in the country.

4. The PPA applies the evaluation criteria outlined in the IFAD Evaluation Manual (2009). In view of the time and resources available, the PPA is generally not expected to collect a large amount of primary data; rather, it provides an independent analysis of existing project documentation and monitoring and evaluation (M&E) data, complemented by interviews at IFAD headquarters and within the country, discussions with various stakeholder groups, including beneficiaries, and reality checks in the field.

5. Country context. With a population of 1.3 billion, China recently became the second largest economy and is increasingly playing an important and influential role in the global economy. Reform-driven economic growth, together with national poverty reduction programmes, have been an exemplary success in reducing the number of rural people living in absolute poverty. In 1981, 85 per cent of the population lived on less and US$1.25 per day, whereas in 2009 the number was reduced to 6.3 percent in 2011. However, the country is still home to a large number of poor people, most of them (64.5 per cent) living in remote rural and often mountainous areas characterized by harsh environmental conditions. Using China's rural poverty line of annual per capital net income below CNY 2,300 (2010 constant prices), the number of poor rural people amounts to 82.5 million in 2013. A large number of the rural poor are ethnic minorities. The remaining pockets of poverty are largely concentrated in mountainous and remote areas inhabited by ethnic minorities.

6. The country's poverty reduction efforts are guided by national policy documents issued jointly by the Central Committee of Communist Party of China and the State Council. In 2001, the Government formulated the "Outline for Poverty Reduction and Development of China's Rural Areas (2001-2010)". It set out the overall goal of accelerating the pace of eradicating absolute poverty and creating the conditions for livelihood sustainability in the poverty-stricken areas. To achieve this, three poverty reduction strategies (models) were outlined: "the whole village approach",

[11] IOE decides to conduct a PPA for a programme based on the following criteria: (i) synergies with forthcoming or on-going IOE evaluations; (ii) major information gaps in the PCR; (iii) novel approaches; and (iv) geographic balance.

[2] http://www.ifad.org/evaluation/partnerships/china-intent.pdf.

"poverty alleviation through agro-industrialization", and "relocation of poverty stricken farmers". The ECPRPNS was approved and implemented during the period of the 2001-2010 Outline.

7. IFAD in China. China is one of the largest recipients of IFAD assistance. Since the approval of its first loan in 1981, IFAD has financed 27 agriculture and rural development projects and programmes in China with a total contribution of approximately US$775 million. The projects, in general, support integrated rural development in remote areas and in resource-constrained regions. From 1999 to 2005, several projects were cofinanced by the World Food Programme (WFP) and include rural finance and infrastructures, as well as health and education in rural areas. Since then, operations have focused largely on agricultural production and marketing in addition to rural infrastructure development.

8. Country Programme Evaluation. In 2014, IOE conducted the first country programme evaluation (CPE) in China, which covered the period 1999 – 2013. The CPE acknowledged the overall high achievement of objectives across the portfolio and the valuable contributions to sustainable improvements in household incomes and assets, food security and agricultural productivity. At the same time, it noted that the impact on developing sustainable rural organizations has been modest and the contribution to government policies and institutions has been limited. Opportunities for improvement include natural resources and environmental management, scaling up innovative approaches to smallholder agricultural development, differentiated approaches to targeting the poor within a rapidly changing rural context, and specific approaches for targeting ethnic minorities.

9. Project description. The ECPRPNS was located in the central and south of Ningxia Hui Autonomous Region and the north of Shanxi Province. The project has been located within an ecological sensitive area where high levels of soil erosion, erratic rainfalls and scarce agricultural resources have contributed to a vicious circle of poverty and environmental degradation. Therefore to the overall objectives of the programme were achieve a sustainable increase in productive capacity, both on-farm and off-farm, and to offer increased access to economic and social resources, including education, health and social networks while improving the environment. The programme included three technical components, which were: (i) land-based activities component, including field crops, land improvement, livestock and rangeland, and forestry; (ii) rural financial services component; (iii) social development component, including health, education, women development. A fourth component was (iv) programme management.

10. The programme was jointly financed by IFAD, WFP, the Government and beneficiaries. The total programme cost approved at design stage was US$90.30 million; it was revised to US$99.41 million at mid-term review (MTR), including the Government financing US$46.21 million or 46.5 per cent of total, IFAD loan US$34.53 million or 34.7 per cent of total. Beneficiaries and WFP also contributed to the programme with resources of US$11.36 million and US$7.32 million, respectively.

11. At the MTR in 2008, adjustments were made in response to the changes in the context. As a result, some of the original activities were reduced or dropped while others were added. In particular, some of the support to education and health has been reduced and additional support of market-oriented agricultural production has been included.

12. The programme was implemented in 1,503 administrative villages in 106 townships of 12 poor counties in Ningxia and Shanxi. In Ningxia, the programme area is mainly inhabited the Hui, the Muslim population classified as ethnic minority in China. According to the PCR, a total of 261,282 households have directly benefited from the programme activities. Out of the 419,661 persons participating in project activities, 59 per cent were women. The PCR attributed significant improvements in

terms of household assets and poverty to the programme; the assessment of programme achievements was slightly modified in view of the overall context of poverty reduction during the CPE. Overall programme performance was rated as satisfactory (5) by the CPE.

13. The programme was implemented through programme management structures at provincial/regional and county levels. At national level, the Ministry of Finance was responsible for managing the IFAD loan funds while the Ministry of Agriculture managed the WFP food aid. In the beginning, the programme suffered from a two years effectiveness lag for the IFAD loan and low disbursement rates, which meant that the IFAD-funded activities were delayed at the time of the MTR. At the point of completion, the programme has disbursed 100.9 per cent of the total fund against the MTR target and 98 per cent of the IFAD loan against the MTR target.

II. Scope and methodology

14. Objectives. The objectives of this PPA are to: (i) assess the results of the programme; (ii) generate findings and recommendations for the design and implementation of on-going and future operations in China; and (iii) support in-country evaluation capacity development within the framework of the Statement of Intent between IOE and Government of China.

15. Scope. The PPA will draw from desk reviews, interviews at IFAD headquarters, and a ten days mission to the country for the purpose of conducting a comprehensive, evidence-based evaluation. The available time and budget will be an important factor limiting the scope of this PPA. The PPA will therefore not re-examine the full spectrum of programme activities, achievements and lessons that has been extensively documented in the PCR and the CPE, but instead will focus on selected key issues that were identified through initial documents review and deserve further analysis or independent validation.

16. Key issues and thematic focus. The PPA will focus its analysis on selected themes, which are of key concern for the further engagement of IFAD in China. The following themes have been identified based on the CPE conclusions and through initial documents review:

    i. The poverty reduction ‘counterfactual’ and IFAD’s added value. The Government of China has spent enormous amounts of funding on poverty reduction over the past 20 years and has recorded tremendous successes in lifting large numbers of people out of extreme poverty. With relatively small funding and limited country presence, IFAD’s contribution appears to be marginal. Even for ECPRCNS, Government’s contribution to the programme by far exceeded the combined funding from IFAD and WFP. A key question for the PPA is therefore what the added value of IFAD was and how the programme would have performed without IFAD’s contribution.

    ii. Partnerships and implementation arrangements. All IFAD supported projects in China are implemented through management structures at subnational level. The CPE has pointed out the limitations of this approach, in particular with regard to scaling up innovations across provinces and regions. Implementation through two different government systems (Finance and Agriculture) has added an additional layer of complexity. At provincial and county levels implementation of a multi-sectoral program has required a complex coordination structure. The PPA will examine in some detail the lessons and challenges of this implementation approach.

    iii. Support to local level institutions. At community level, a number of institutions, some of them exclusively set up for this programme, have implemented the various activities. The CPE has questioned the sustainability of this approach and pointed out the risk that some organizations, like the

Rural Credit Cooperatives (RCCs), are turning away from servicing the rural poor. The PPA will review the extent to which those institutions continue to provide services to poor people and in particular women after the programme has closed.

iv. Targeting and social inclusion. The programme has used geographic targeting in combination with a proven approach developed by WFP for targeting the poorest and food insecure parts of the rural population. The PCR describes the delivery of an integrated package of activities at household level as a great success. While the overall achievements appear impressive, the distributional effects have not been reported for different socio-economic groups. The CPE highlights the need for a more differentiated targeting approach. One key question for the PPA will be how benefits have been distributed and the extent to which the programme has reduced or increased inequality, e.g. through the creation of new assets (such as greenhouses and terraced land).

17. Evaluation criteria. The PPA will use the standard IOE criteria plus selected key issues developed for this particular evaluation, as stipulated by the applicable IOE guidance.[1] The China CPE has provided preliminary ratings for those criteria which will be reviewed and, where needed, adjusted as part of the PPA. The PPA will review the existing evidence base provided through the programme documentation. The following paragraphs provide an overview on the key issues and questions that will be addressed by the PPA within the thematic focus described above.

18. Relevance. As mentioned earlier, the programme has been adjusted at MTR in response to Government of China's evolving policies and priorities for poverty reduction. The rationale for these adjustments has been well described in the MTR and the PCR. The PPA will therefore focus on assessing the extent to which these adjustments have enabled a better integration of programme activities and improved targeting of the poor.

19. Effectiveness. The programme has collected an enormous amount of data underpinning its substantial achievements.[2] However, the extent to which the obvious success in poverty reduction can be attributed to the programme is not clear, given the overall dynamics and trends in the programme areas. The PPA will therefore further clarify the specific role and contribution of the programme and identify the elements or approaches through which it had made a difference, e.g. combination and sequencing of activities, pro-poor targeting and strengthening local institutions.

20. Efficiency. The PPA will examine how well the programme implementations structures worked in the two provinces and to what extent the funding arrangements had an effect on programme progress and achievements of results.

21. Rural poverty impact. The project documentation includes rich data on the household assets, food availability, incomes, health and educations status. The PPA will corroborate the credibility, completeness and representativeness of the PCR figures and statements under this criterion. Furthermore, the PPA will examine the distributional effects of the assets provided and the impact on the poorest. Based on a review of provincial poverty data and selected field visits, the PPA will try to establish the hypothetical counterfactual (what would have been the changes without the programme).

22. Sustainability. Three years after the programme closure, the PPA will provide an opportunity to assess the sustainability of benefits. In particular, the PPA will investigate how sustainable the institutions and mechanisms supported at

[1] Draft PCRV – PPA guidance (from the revised IOE Manual 2014), Para 7
[2] Most data refer to output-level indicators though.

community level have been and what aspects of programme planning and implementation have been applied by the government after the end of the programme.

23. Pro-poor innovation and scaling up. The CPE has already validated the innovations documented in the PCR. Instead, the PPA will identify innovative practices that have addressed critical environment-poverty linkages through a reflective exercise with former program staff and through review of similar programs implemented. Promoting environmental-friendly and sustainable farming practices has been a key feature of this programme. The PPA will also look for evidence of practices being adopted outside the province. The CPE has pointed out the limited influence that innovations piloted in programmes at provincial level have outside the province or region.

24. Gender equality and women's empowerment. ECPRPNS's achievements with regard to women's participation in programme activities appear to be impressive. The PPA would further inquire to what extent this success could be translated into sustainable changes with regard to gender equality and women's empowerment. In particular, it will be important to understand the extent to which women continued to access RCCs loans and the funds operated by the women's federation continued to be effective for poor women.

25. Performance of partners. The PPA will review the respective contributions that programme partners, in particular IFAD and the Government, made for an effective implementation and achievement of objectives in ECPRPNS.

26. Data collection. The existing programme documentation and analysis conducted during the CPE will be the main source of information. In addition, the PPA will review the existing experiences documented on similar poverty reduction projects implemented in the programme area as well as publicly available poverty data for the two provinces. The environment-poverty linkages in this area have been well researched (e.g. by the Department for International Development or World Bank). Useful analysis on the poverty dynamics within this fragile ecological system and the counterfactual on poverty reduction can be drawn from these studies. Additional information will be collected through interviews with relevant stakeholders both at IFAD headquarters and in China.

27. The PPA mission will include institutional visits in Beijing and visits to the programme areas in Ningxia and Shanxi. In Beijing, the evaluation mission will hold discussions with key government partners (Ministry of Finance, Ministry of Agriculture, and Leading Group Office on Poverty Alleviation and Development (LGOP)) for briefings and discussions. In addition, an exchange with the National Bureau of Statistics (NBS) and research organizations (e.g. the International Centre for Poverty Reduction) will be useful for obtaining additional poverty data and studies for the programme area. The mission will also interview other development partners who have been active in the same area or work in agriculture (Food and Agriculture Organization of the United Nations, WFP, World Bank, Asian Development Bank, Department for International Development, and United Nations Development Programme).

28. In Shanxi and Ningxia the mission will meet with the former steering group and programme offices at provincial/regional level to crosscheck findings from the documents review, to fill in critical information gaps and to discuss experiences and observations. An important topic for discuss and further review will be the programme's M&E system. The mission will require access to the data base and the M&E staff in charge to better understand how data were collected and aggregated. In addition, the mission will select two counties for the province and region respectively where it will visit county project office and selected township and villages. The field visits will be conducted as reality checks through which the mission will have an opportunity to challenge and deepen their understanding of

key issues through direct observation and feedback from field staff and beneficiaries. Field visits will include group meetings with service providers (including RCCs), village groups and individual household visits.

29. Stakeholders' participation. In compliance with the 2011 IFAD Evaluation Policy, the main programme stakeholders will be involved at various steps during the PPA. Government partners and PMD have an opportunity to provide their comments on this approach paper and the draft final report. This will ensure that the evaluation design takes into account the stakeholders concerns as well as their feedback on the main findings and recommendations from the PPA. Debriefing sessions for provincial/regional project management offices and partners in Beijing will provide an opportunity to discuss preliminary findings.

III. Evaluation process

30. In all, the PPA will be conducted according the following phases: preparation of the evaluation approach paper; desk work; in-country mission; learning event; report drafting and peer review; receipt of comments on the draft PPA report from APR and the Government; and the final phase of communication and dissemination.

31. PPA approach paper and evaluation framework. The PPA approach paper which includes an evaluation framework will be shared simultaneously with Government and PMD in early March for review and comments.

32. Desk work phase. The PPA will review the available programme documents, including PCR and further background studies during the desk review phase in April.

33. Country work phase. The PPA mission is scheduled from 6 to 15 May 2015. It will interact with key Government officials, local authorities, programme staff and beneficiaries. At the end of the mission, a wrap-up meeting will be held in Beijing to discuss the PPA's preliminary findings including emerging strategic and operational issues. The IFAD country presence office in Beijing will take part in the meeting and the IFAD country programme manager for China will participate virtually in the discussions from Rome.

34. Evaluation capacity development. IOE will present the approach and methods used for this PPA at a training held by the Ministry of Finance in Shanghai on 5 May.

35. Report drafting and peer review. At the conclusion of the field visit, a draft PPA report will be prepared and submitted to IOE internal peer review for quality assurance in June.

36. Comments by APR and the Government. The PPA report will be shared simultaneously with APR and the Government for comments. IOE will finalize the report following receipt of APR and Government's comments. An audit trail will be prepared by IOE showing how APR and Government comments, respectively, have been treated in the final report. The audit trail will be shared with APR and the Government along with the final report. Moreover, the IFAD Management will prepare a Management Response, to be included in the final report, which will summarize Management's overall views on the evaluation and how it intends to implement the recommendations contained in the final report.

37. Communication and dissemination. The final report will be disseminated electronically among key stakeholders, and the evaluation report will be posted on the dedicated section for IOE of the IFAD website.

38. Review of the ECD experience. IOE and the Government will review the experience of the PPA in terms of its contribution to evaluation capacity development in China, discussing the possibility of undertaking additional evaluations of this kind, tailored to the specific country/project context, as needed.

IV. Evaluation team

39. Ms Johanna Pennarz, IOE Lead Evaluation Officer has been designated as the Lead Evaluator for this PPA and will be responsible for the entire evaluation process and delivering the final report. She will be supported by Mr Alan Piazza, senior consultant and specialist on poverty reduction in China, who will take part in the PPA mission. Ms Maria Cristina Spagnolo, IOE Evaluation Assistant, will provide research and administrative support.

V. Participation and role of the Ministry of Finance

40. Based on the Statement of Intent signed by the Ministry of Finance and IOE, the Ministry of Finance will join the PPA of the Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi.

41. The main purpose of the participation of the Ministry of Finance staff in the mission is to: (i) improve the Ministry of Finance's evaluation approach and practical skills; and (ii) strengthen the evaluation learning and feedback loop, so that this PPA's findings may be included in the design of new or ongoing projects in a timely manner.

42. For this PPA mission, the Statistic and Finance Division within the Department of International Economic and Financial Cooperation (Ministry of Finance) is planning to:

    i. Study IOE's approach paper and evaluation framework and provide comments and suggestions;

    ii. Deploy a staff and an expert to join this mission in the field in May as observers;

    iii. Review and provide comments on the draft evaluation report; and

    iv. Prepare a report on key evaluation findings to inform the design of new projects in the agriculture and natural resources sector. This report will be internal to the Ministry of Finance and shared for information with IOE.

43. The Ministry of Finance will prepare a Chinese version of the evaluation framework to be shared with shareholders as part of the briefing processes during this PPA.

Evaluation framework

Evaluation Criteria	Evaluation Questions	Data sources & data collection methods	Thematic issues
Relevance	**Q1:** To what extent has the programme's approach to addressing priority areas for poverty reduction remained relevant, given the rapidly changing economic and political context?	Documents review: • Project appraisal and President's report • MTR, PCR • Relevant government policies and strategies	**Poverty reduction counterfactual and IFAD's contribution**
	Q2: What has been IFAD's added value within the ongoing initiatives to poverty reduction in Shanxi and Ningxia?	• Comparative analysis of poverty data and trends • Review of interventions and poverty outcomes for similar projects in Ningxia and Shanxi (e.g. Government, World Bank-supported projects) • Meetings with other donors in Beijing	**Poverty reduction counterfactual and IFAD's contribution**
	Q3: Has the lack of a central PMO limited or enhanced the programme's relevance?	• Design documents, MTR and PCR • Stakeholder discussions in Beijing and in the provinces	**Institutional set-up**
	Q4: How relevant has been the selection of RCCs as implementing partner to enable pro-poor targeting?	• Meetings with RCCs in the provinces • Feedback from beneficiaries	**Institutional set-up**
	Q5: To what extent has the participatory planning approach been able to address priority needs of poor households and villages? To what extent did the VIGs represent poor households, women and ethnic minorities? How did the integrated approach to programme activities work at the level of villages and households?	• Review of reports and monitoring data in provinces and selected townships • Meetings with VIGs in selected villages • Feedback from beneficiaries	**Social and economic inclusion**

Effectiveness	**Q6:** Can the programs contribution to poverty reduction be substantiated, given the overall trends and changes in the two provinces? How do the successes claimed by the programme compare to the overall trends and changes in the programme area?	• Comparative analysis of poverty data and trends • Review of interventions and poverty outcomes for similar projects in Ningxia and Shanxi (e.g. Government, World Bank-supported projects) • Meetings with LGOP and NBS	**Poverty reduction counterfactual and IFAD's contribution**
	Q7: Has the programme's approach to targeting poor households and villages been more stringent or anyhow different from government's approach? How does the programme's classification of poor households correspond to the Government of China's poverty indicators?	• Review of reports and monitoring data in provinces, counties and selected townships • Feedback from VIGs and beneficiaries	**Poverty reduction counterfactual and IFAD's contribution**
	Q8: How effective was the programmes support for local institutions (RCCs, extension services, marketing cooperatives) in terms of strengthening pro-poor services?	• Review of project documentation in provinces • Interviews with local institutions in selected counties and townships	**Local level institutions**
	Q9: Has the programme's M&E system been effective to support targeting of poor households and villages? How reliable are the poverty data collected by the program?	• Review of programme M&E systems and data in provinces and selected counties and townships	**Social and economic inclusion**
Efficiency	**Q10:** How well did the programme implementation structures work in the two provinces? To what extent has the lack of a central PMO helped or hindered programme progress? How well has the coordination of multiple stakeholders, including the RCCs, worked in the two provinces?	• Review of progress reports and supervision reports • Interviews with PMOs and other stakeholders in provinces	**Institutional set-up**
	Q11: How could the delay at the project start-up have been avoided? To what extent did the sequencing of programme investments in the beginning help or hinder achievement of programme objectives?	• Programme disbursement data • Interviews with PMOs and other stakeholders in provinces • PCR and MTR documents	**Institutional set-up**
	Q12: To what extent did the adjustments of funding made at the MTR help to achieve the programme's objectives? Did the adjustments help or hinder more effective targeting of poor households and villages?	• MTR documents • Discussion with PMOs • Feedback from beneficiaries	**Social and economic inclusion**

Rural poverty impact	**Q13:** How reliable are the programme's M&E data in the two provinces and can the claims with regard to the assets built by the programme be substantiated? Given the overall trends and changes in the programme areas, what would have been the extent of changes without IFAD?	• Review of M&E systems and data • On-site visits and reality checks • Comparative analysis of poverty data and trends	**Poverty reduction counterfactual and IFAD's contribution**
	Q14: How effective has the mix of programme activities been at the level of individual households? Could the same impact have been achieved without IFAD's support to social infrastructure?	• Comparative analysis of results documented from similar interventions	**Poverty reduction counterfactual and IFAD's contribution**
	Q15: What was the programme's impact with regard to equal access to assets? How did the programme address vulnerability of the poorest to environmental disasters and shocks? How did the programme improve access to markets for the poorest?	• PCR and impact studies • Programme M&E data • On-site visits and reality checks	**Social and economic inclusion**
Sustainability	**Q16:** How sustainable are institutions and mechanisms supported by the programme(RCCs, Cooperatives, Women's Federation, extension services)? Have they still been providing services after the programme closed in 2012? How robust and sustainable are systems for local maintaining infrastructure?	• Background studies and project documentation from the provinces • Stakeholder interviews • On-site visits and reality checks	**Local level institutions**
	Q17: What aspects of programme planning and implementation have been most sustainable within the government systems?	• Background studies and project documentation from the provinces • Stakeholder discussions	**Government**
Innovation & scaling up	**Q18:** Which aspects of the programme's approach to rural finance have been innovative for the RCCs? Are there cases that they have been replicated outside the programme areas or in other provinces?	• Background studies and project documentation from the provinces • Stakeholder discussions	**Local level institutions**
	Q19: Has the programme's mobile health service, referred to as an innovation in the PCR, been replicated outside of Ningxia?	• Background studies from the provinces • Stakeholder discussions	**Institutional set-up**
Gender equality and women's empowerment	**Q20:** To what extent has the successful participation of women in project activities led to sustainable changes with regard to gender equality and women's empowerment?	• Background studies and project documentation from the provinces • Discussion with women's groups	**Social and economic inclusion**

	Q21: To what extent do poor women continue to access RCCs loans?	• Background studies from the provinces • Discussion with women's groups	**Social and economic inclusion**
	Q22: Are the funds operated by the women's federation still effective and accessible for poor women?	• Background studies from the provinces • Discussion with women's federation and women's groups	**Local level institutions**
Partner Performance	**Q23: IFAD:** How did the transition of supervision from UNOPS to IFAD contribute to improved programme implementation? To what extent has IFAD's microcredit approach been appropriate and effective for sustainable access to financial services by the rural poor?	• Review of MTR, PCR and supervision reports • Discussion with PMOs and RCCs • Discussion with IFAD present and former CPMs and Country Programme Officer (CPO)	**Partnerships**
	Q24: WFP: How instrumental has partnership with WFP been for initiating and implementing the programme in a country where IFAD has no field presence? Could the change of WFP engagements strategy have been foreseen and how could the shortfall have been complemented?	• Review of MTR, PCR and supervision reports • Discussion with PMOs • Discussion with IFAD present and former CPMs and CPO	**Partnerships**
	Q25: Government: How well did the communication and coordination across the different systems (Finance, Agriculture) work? How well has project implementation been coordinated in the two provinces? Has engagement at central level been sufficient?	• Review of MTR, PCR and supervision reports • Discussion with MOF, MOA, LGOP • Discussion with IFAD present and former CPMs and CPO	**Partnerships**

Methodological note on project performance assessments

A. What is a project performance assessment?[1]

1. The project performance assessment (PPA) conducted by the Independent Office of Evaluation of IFAD (IOE) entails one mission of 7-10 days[2] and two mission members.[3] PPAs are conducted on a sample of projects for which project completion reports have been validated by IOE, and take account of the following criteria (not mutually exclusive): (i) synergies with forthcoming or ongoing IOE evaluations (e.g. country programme or corporate-level evaluations); (ii) major information gaps in project completion reports (PCRs); (iii) novel approaches; and (iv) geographic balance.

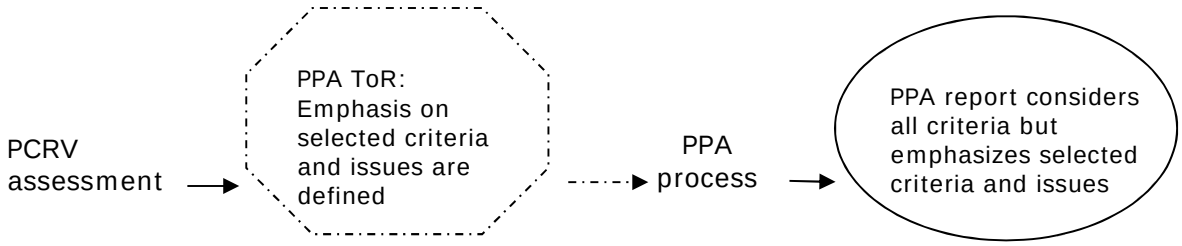
2. The objectives of the PPA are to: assess the results and impact of the project under consideration; and (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country involved. When the PPA is to be used as an input for a country programme evaluation, this should be reflected at the beginning of the report. The PPA is based on the project completion report validation (PCRV) results, further desk review, interviews at IFAD headquarters, and a dedicated mission to the country, to include meetings in the capital city and field visits. The scope of the PPA is set out in the respective terms of reference.

B. Preparing a PPA

3. Based on the results of the PCRV, IOE prepares brief terms of reference (ToR) for the PPA in order to sharpen the focus of the exercise.[4] As in the case of PCRVs, PPAs do not attempt to respond to each and every question contained in the Evaluation Manual. Instead, they concentrate on the most salient facets of the criteria calling for PPA analysis, especially those not adequately explained in the PCRV.

4. When preparing a PPA, the emphasis placed on each evaluation criterion will depend both on the PCRV assessment and on findings that emerge during the PPA process. When a criterion or issue is not identified as problematic or in need of further investigation, and no additional information or evidence emerges during the PPA process, the PPA report will re-elaborate the PCRV findings.

Scope of the PPA



[1] Extract from the PCRV and PPA Guidelines.
[2] PPAs are to be conducted within a budget ceiling of US$25,000.
[3] Typically, a PPA mission would be conducted by an IOE staff member with the support of a consultant (international or national). An additional (national) consultant may be recruited if required and feasible within the evaluation budget.
[4] Rather than an approach paper, IOE prepares terms of reference for PPAs. These terms of reference ensure coverage of information gaps, areas of focus identified through PCRVs and comments by the country programme manager, and will concentrate the PPA on those areas. The terms of reference will be included as an annex to the PPA.

C. Evaluation criteria

5. The PPA is well suited to provide an informed summary assessment of project relevance. This includes assessing the relevance of project objectives and of design. While, at the design stage, project logical frameworks are sometimes succinct and sketchy, they do contain a number of (tacit) assumptions on mechanisms and processes expected to generate the final results. At the post-completion phase, and with the benefit of hindsight, it will be clearer to the evaluators which of these assumptions have proved to be realistic, and which did not hold up during implementation and why.

6. For example, the PPA of a project with a major agricultural marketing component may consider whether the project framework incorporated key information on the value chain. Did it investigate issues relating to input and output markets (distance, information, monopolistic power)? Did it make realistic assumptions on post-harvest conservation and losses? In such cases, staff responsible for the PPA will not be expected to conduct extensive market analyses, but might consider the different steps (e.g. production, processing, transportation, distribution, retail) involved and conduct interviews with selected actors along the value chain.

7. An assessment of effectiveness, the extent to which a project's overall objectives have been achieved, should be preferably made at project completion, when the components are expected to have been executed and all resources fully utilized. The PPA considers the overall objectives[5] set out in the final project design document and as modified during implementation. At the same time, it should be flexible enough to capture good performance or under-performance in areas that were not defined as an objective in the initial design but emerged during the course of implementation.

8. The PPA mission may interview farmers regarding an extension component, the objective of which was to diffuse a certain agricultural practice (say, adoption of a soil nutrient conservation technique). The purpose here would be to understand whether the farmers found it useful, to what extent they applied it and their perception of the results obtained. The PPA may look into reasons for the farmers' interest in new techniques, and into adoption rates. For example, was the extension message delivered through lectures? Did extension agents use audio-visual tools? Did extension agents engage farmers in interactive and participatory modules? These type of questions help illustrate why certain initiatives have been conducive (or not conducive) to obtaining the desired results.

9. The Evaluation Manual suggests methods for assessing efficiency, such as calculating the economic internal rate of return (EIRR),[6] estimating unit costs and comparing them with standards (cost-effectiveness approach), or addressing managerial aspects of efficiency (timely delivery of activities, respect of budget provisions). The documentation used in preparing the PCRV should normally provide sufficient evidence of delays and cost overruns and make it possible to explain why they happened.

10. As far as rural poverty impact is concerned, the following domains are contemplated in the Evaluation Manual: (a) household income and assets; (b) human and social capital and empowerment; (c) food security and agricultural

[5] Overall objectives will be considered as a reference for assessing effectiveness. However, these are not always stated clearly or consistent throughout the documentation. The assessment may be made by component if objectives are defined by components; however the evaluation will try to establish a correspondence between the overall objectives and outputs.

[6] Calculating an EIRR may be challenging for a PPA as it is time consuming and the required high quality data are often not available. The PPA may help verify whether some of the crucial assumptions for EIRR calculation are consistent with field observations. The mission may also help shed light on the cost-effectiveness aspects of efficiency, for example whether, in an irrigation project, a simple upgrade of traditional seasonal flood water canalization systems might have been an option, rather than investing on a complex irrigation system, when access to markets is seriously constrained.

productivity; (d) natural resources, the environment and climate change;[7] and (e) institutions and policies. As shown in past evaluations, IFAD-funded projects generally collect very little data on household or community-level impact indicators. Even when impact data are available, both their quality and the methodological rigour of impact assessments are still questionable. For example, although data report significant increases in household assets, these may be due to exogenous factors (e.g. falling prices of certain commodities; a general economic upturn; households receiving remittances), and not to the project.

11. PPAs may help address the "attribution issue" (i.e. establishing to what extent certain results are due to a development intervention rather than to exogenous factors) by:

    (i) following the logical chain of the project, identifying key hypotheses and reassessing the plausibility chain; and

    (ii) conducting interviews with non-beneficiaries sharing key characteristics (e.g. socio-economic status, livelihood, farming system), which would give the mission an idea of what would have happened without the project (counterfactual).[8]

12. When sufficient resources are available, simple data collection exercises (mini-surveys) may be conducted by a local consultant prior to the PPA mission.[9] Another non-mutually exclusive option is to spot-check typical data ranges or patterns described in the PCR by means of case studies (e.g. do PCR claims regarding increases in average food-secure months fall within the typical ranges recorded in the field?). It is to be noted that, while data collected by a PPA mission may not be representative in a statistical sense, such data often provide useful reference points and insights. It is important to exercise care in selecting sites for interviews in order to avoid blatant cases of non-beneficiaries profiting from the project.). Sites for field visits are selected by IOE in consultation with the government concerned. Government staff may also accompany the PPA mission on these visits.

13. The typical timing of the PPA (1-2 years after project closure) may be useful for identifying factors that enhance or threaten the sustainability of benefits. By that stage, the project management unit may have been disbanded and some of the support activities (technical, financial, organizational) terminated, unless a second phase is going forward or other funding has become available. Typical factors of sustainability (political support, availability of budgetary resources for maintenance, technical capacity, commitment, ownership by the beneficiaries, environmental resilience) can be better understood at the ex post stage.

14. The PPA also concentrates on IFAD's role with regard to the promotion of innovations and scaling up. For example, it might be observed that some innovations are easily scaled up at low cost (e.g. simple but improved cattle-rearing practices that can be disseminated with limited funding). In other cases, scaling up may involve risks: consider the case of a high-yield crop variety for which market demand is static. Broad adoption of the variety may be beneficial in terms of ensuring food security, but may also depress market prices and thereby reduce sale revenues for many households unless there are other, complementary activities for the processing of raw products.

15. The PPA addresses gender equality and women's empowerment, a criterion recently introduced into IFAD's evaluation methodology. This relates to the emphasis placed on gender issues: whether it has been followed up during

[7] Climate change criterion will be addressed if and when pertinent in the context of the project, as most completed projects evaluated did not integrate this issue into the project design.
[8] See also the discussion of attribution issues in the section on PCRVs.
[9] If the PPA is conducted in the context of a country programme evaluation, then the PPA can piggy-back on the CPE and dedicate more resources to primary data collection.

implementation, including the monitoring of gender-related indicators; and the results achieve.

16. Information from the PCRV may be often sufficient to assess the performance of partners, namely, IFAD and the government. The PPA mission may provide further insights, such as on IFAD's responsiveness, if relevant, to implementation issues or problems of coordination among the project implementation unit and local and central governments. The PPA does not assess the performance of cooperating institutions, which now has little or no learning value for IFAD.

17. Having completed the analysis, the PPA provides its own ratings in accordance with the evaluation criteria and compares them with PMD's ratings. PPA ratings are final for evaluation reporting purposes. The PPA also rates the quality of the PCR document.

18. The PPA formulates short conclusions: a storyline of the main findings. Thereafter, a few key recommendations are presented with a view to following up projects, or other interventions with a similar focus or components in different areas of the country.[10]

[10] Practices differ among multilateral development banks, including recommendations in PPAs. At the World Bank, there are no recommendations but "lessons learned" are presented in a typical PPA. On the other hand, PPAs prepared by Asian Development Bank include "issues and lessons" as well as "follow-up actions" although the latter tend to take the form of either generic technical guidelines for a future (hypothetical) intervention in the same sector or for an ongoing follow-up project (at Asian Development Bank, PPAs are undertaken at least three years after project closure).

Definition of the evaluation criteria used by IOE

Criteria	*Definition*[a]
Project performance	
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Rural poverty impact[b]	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
Household income and assets	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
Human and social capital and empowerment	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity.
Food security and agricultural productivity	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
Natural resources, the environment and climate change	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment as well as in mitigating the negative impact of climate change or promoting adaptation measures.
Institutions and policies	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
Other performance criteria	
Sustainability	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
Innovation and scaling up	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
Gender equality and women's empowerment	The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects.
Overall project achievement	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.
Performance of partners IFAD Government	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. It also assesses the performance of individual partners against their expected role and responsibilities in the project life cycle.

[a] These definitions have been taken from the OECD/DAC *Glossary of Key Terms in Evaluation and Results-Based Management* and from the IFAD Evaluation Manual (2009).

[b] The IFAD Evaluation Manual also deals with the "lack of intervention", that is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention "not applicable") is assigned.

List of key persons met

Government

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Mr Geng Dali, Director & Associate Research Fellow, International Organization Division II, Foreign Economic Cooperation Center, Ministry of Agriculture

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Mr Mu Tingting, Deputy Director, Finance and Risk Management Division, Ministry of Finance

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Ms Juan Su, Foreign Capital Management Center, LGOP

Ningxia Hui Autonomous Region

Ms Jin Fang, Deputy Director, Haiyuan County People's Congress, Ningxia Hui Autonomous Region

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Mr Shan Guangyi, Secretary of the Communist Party Committee, Bureau of Finance, Haiyuan County, Ningxia Hui Autonomous Region

Mr Liu Mingjun, Senior Engineer, Bureau of Forestry, Haiyuan County, Ningxia Hui Autonomous Region

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Mr Mingliang Liu, Deputy County Mayor, People's Government of Ningwu County, Shanxi Province

Mr Guangwen Liu, Deputy Director, Bureau of Finance, Ningwu County, Shanxi Province

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Ms Shuhong Zhen, Officer, Project Management Office, Ningwu County, Shanxi Province

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Mr Meng Xilin, Manager, Association of Credit Union, Haiyuan County, Ningxia Hui Autonomous Region

Ms Tian Zhimei, Economist, Women's Federation, Haiyuan County, Ningxia Hui Autonomous Region

Shanxi Province

Ms Peng Liu, Director, Women's Federation, Ningwu County, Shanxi Province

Mr Mingsuo Lv, Deputy Director, Agricultural Committee, Ningwu County, Shanxi Province

Mr Yunhe Ma, Director, Credit Department of the Association of Credit Union, Ningwu County, Shanxi Province

Beneficiaries

Ningxia Hui Autonomous Region

Beneficiaries visited in Tuo Lei Cun Village

Beneficiaries visited in Cang Wan Cun Village

Shanxi Province

Mr Fugui Ma, Team Leader, Implementation Group of Ba Men Kou Village, Hua Bei Tun Country

Mr Fengtong Guo, Implementation Group of Tou Ma Ying Village, Hua Bei Tun Country

Beneficiaries visited in Dadian Cun Village

Beneficiaries visited in Do Ma Cun Village

Beneficiaries visited in Shiliqiao Cun Village

Beneficiaries visited in Shijia Cun Village

Beneficiaries visited in Yaozhuang Cun Village

Research and training institutions

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Other resource persons

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International and donor institutions

IFAD

Mr He Qinbin, IFAD Consultant

World Bank

Ms Liu Jin, Task Manager, Ningxia Desertification Control and Ecological Protection Project

Mr Ulrich Schmitt, Task Manager (Former), Ningxia Desertification Control and Ecological Protection Project

Ningwu County, Shanxi: rural per capita net income and grain production, 2002-14

	Per capita grain production (kg/year)		*Per capita net income (CNY/year)*	
Year	*Ningwu County*	*Programme area Townships*	*Ningwu County*	*Programme area Townships*
2002	171.8	168.0	706	635
2003	217.2	198.9	1 006	924
2004	218.0	220.0	1 066	976
2005	129.2	120.7	1 090	1 008
2006	159.7	160.4	1 201	1 124
2007	212.8	218.4	1 513	1 295
2008	259.2	272.0	1 812	1 643
2009	166.5	173.0	1 904	1 816
2010	262.6	280.0	2 249	2 033
2011	267.9	284.0	2 804	2 695
2012	206.0	227.0	3 356	3 071
2013	247.0	264.0	3 584	3 390
2014	254.0	271.0	4 205	3 953

Source: Data provided to the PPA mission by Ningwu County, Shanxi.

The State Council Leading Group Office of Poverty Alleviation and Development of China

1. Established in 1986, the State Council Leading Group Office of Poverty Alleviation and Development of China plays the lead role in orchestrating a wide range of programmes and funding which seek to achieve China's hallmark "development-oriented poverty reduction". Including a full hierarchy of units at the central, provincial, and lower levels, the Leading Group for Poverty Reduction system (LGOP) includes three core programs: Tiexi Daikuan (Subsidized Credit Program), Caizheng Zijin (Budgetary Funds Program), and Yigongdaizhen (Food for Work Program). Central government annual funding for these three core programmes increased by nearly ten billion yuan during 2002-10, and reached 27.6 billion yuan in 2010.

2. LGOP published national poverty reduction assessment and strategy documents in 1989, 1993, 2003, and 2011.[1] While maintaining the core approach of development-oriented poverty reduction, the 2011 document "Outline for Development-oriented Poverty Reduction for China's Rural Areas 2011-2020" (2011 Outline) advances several new approaches to overcoming poverty and directly addresses these emerging challenges.[2] First, the 2011 Outline highlights targets for (a) completing and upgrading poor area rural infrastructure including, most importantly, access to safe drinking water – which remains a crucial pressing issue, as well as transport, power, farm land, irrigation, and housing, (b) social protection (including further (i) improvements in access to education, health care, and culture, and (ii) upgrading the rural welfare and pension systems, and (c) environmental protection and green poverty reduction. For the core poverty reduction program, the 2011 Outline introduces or expands the following five LGOP "signature" activities:

   (i) National Poor Registration System, which includes the identification and registration of 100 million poor people, and the establishment of a national computerized database management system;
   (ii) Voluntary Resettlement Program, which provides assistance for some 10 million poor to voluntarily resettle from areas subject to life-threatening natural disasters, where the population density grossly exceeds the carrying capacity of the land, or where remoteness makes the provision of basic services prohibitively expensive or impossible;
   (iii) Poverty Reduction through Industrialization, which includes the production and processing of local leading products through farmer cooperatives and mutual fund organizations in combination with leading enterprises;
   (iv) Poverty Reduction through Employment, which includes support for vocational training; and,
   (v) Rural Financial Services, which includes the strengthening of rural financial services and the encouragement of microcredit schemes.

3. The 2011 Outline maintains the poverty reduction programme's focus on fourteen contiguous blocks (lagging poor regions) and 592 nationally designated poor counties.

[1] See LGOP (1989, 1994, and 2003) and Chapter 5 of NBS (2011).
[2] The 2011 Outline was updated through the LGOP (2013) "No. 25 Document."

Actual programme outputs against respective targets set in logframe

Outputs		*Total project*			*Ningxia*	*Shanxi*
		Performance indicators	Actual achievements	%	%	%
C 1.1: Field Crops - Agro-extension units improved; Extension agents and farmers trained; New cropping technologies extended; Production facilities for poor households constructed.	1.1.1	21 township agro-extension units built	21 extension units built	100.0%	100	100
	1.1.2	1,230 extension agents trained, by gender	1 299 extension agents trained and 33% of them were women	105.6%	100	107.9
	1.1.3	116 ha of crop experiments conducted	158 ha experiments conducted	136.0%	100	180.8
	1.1.4	5,543 ha of crops demonstrations conducted	6 295 ha demonstrations conducted	113.6%	129	101.9
	1.1.5	41,909 farmers trained by gender	40 510 farmers trained and 47% were women	96.7%	103	94.6
	1.1.6	1,769 poor households provided with building of permanent greenhouses	909 households provided with permanent greenhouses	51.4%	52	89.1
	1.1.7	4,469 poor households provided with semi-permanent greenhouses	4 424 households provided with semi-permanent greenhouses	99.0%	100	n/a
	1.1.8	229 farmer cooperatives supported	229 cooperatives supported	100.0%		100
C 1.2: Land improvement - Irrigation facilities constructed; Drainage schemes implemented; Soil and water conservation activities carried out.	1.2.1	3,750 irrigation cisterns built	3 750 irrigation cisterns built	100.0%	100	n/a
	1.2.2	40 pipe irrigation systems built	40 pipe irrigation systems built	100.0%	100	n/a
	1.2.3	30 pump stations built	30 pump stations built	100.0%	100	100
	1.2.4	258 km of canals lined	258 km of canals lined	100.0%	100	100
	1.2.5	1 irrigation pond rehabilitated	1 irrigation pond rehabilitated	100.0%	100	n/a
	1.2.6	2,796 check dams built	2,796 check dams built	100.0%	100	n/a
	1.2.7	17 storage dams built	17 storage dams built	100.0%	100	n/a

	1.2.8	43 km of drainage canal built	43 km of drainage canal built	100.0%	100	n/a
	1.2.9	2,020 ha of terraces developed	2 021 ha of terraces developed	100.0%	100	100
	1.2.10	233 ha of soil improved	233 ha of soil improved	100.0%	100	n/a
	1.2.11	2,666 ha of dry-land levelled	2 666 ha of dry-land levelled	100.0%	100	100
C 1.3: Livestock - Rehabilitation of rangeland executed; Experiments and demonstrations successfully implemented; Training of livestock technical service staff and farmers carried out; Improvement of livestock warm-sheds carried out.	1.3.1	13,694 ha of pastureland rehabilitated	12 822 ha of pastureland rehabilitated	93.6%	100 100	88 74
	1.3.2	3,884 ha of fodder production done	3 840 ha fodder production done	98.9%	100	74
	1.3.3	472 ha experiments carried out	474 ha experiments carried out	100.4%	100	101
	1.3.4	937 ha demonstrations conducted	913 ha demonstrations done	97.4%	100	92
	1.3.5	576 technical staffs trained with update knowledge, by gender	576 technical staffs trained and 40% were women	100.0%	100	86
	1.3.6	26,579 farmers trained with appropriate techniques, by gender	26 560 farmers trained and 44% were women	99.9%	99.8	98
	1.3.7	1,178 poor households provided with building of animal warm-sheds	1 779 households provided with animal warm-sheds	151.0%	100	209
C 1.4: Forestry - Tree planting and demonstrations carried out; Desertification control activities executed; Forest nursery established; Training for forest staff done.	1.4.1	3,446 ha of household tree planted	3 486 ha of household tree planted	101.2%	100	103
	1.4.2	1,770 ha of demonstration carried out	1 760 ha demonstration done	99.4%	100	98
	1.4.3	4,544 ha of protection forest planted	4 545 ha protection forest planted	100.0%	100	100
	1.4.4	60 ha of nursery established	59 ha nurseries established	100.0%	100	100
	1.4.5	1,352 nursery men trained	1 210 nursery men trained	89.5%	100	85
	1.4.6	9,273 sessions of village mobilizations done	7 327 sessions of village mobilizations carried out	79.0%	100	62
	1.4.7	537 staffs trained, by gender	607 staffs trained, 37% women	113.0%	100	126

C 2: Rural financial services - Credit lending conducted; Capacity building for RCCs staff implemented.	2.1	US$5.12 million of IFAD loan would be used as revolving fund for credit lending in target area	US$5.01 million of IFAD loan were used as revolving fund for credit lending in target area	98.0%	n/a	83 (actual in US$ terms is 98%)
	2.2	103 RCC credit staffs trained	117 RCC credit staffs trained	113.6%	114	n/a
	2.3	1,128 sessions of VIG member training carried out	1 100 sessions of VIG member training carried out	97.5%	98	n/a
C 3.1: Health - Township hospitals and village clinics up-graded/built; Health care for women done; Township and village doctor training provided; Health education successfully carried out; Support to ante-natal check-up and baby delivery carried out.	3.1.1	House maintenance carried out for 31 township hospitals	35 township hospitals maintained	112.9%	40	100
	3.1.2	1,067 village clinics built	1 011 village clinics built	94.8%	58	98
	3.1.3	Reproductive tract infections treatment carried out for 23,070 women	Reproductive tract infections treatment treatment carried out for 25 074 women	108.7%	115	87
	3.1.4	1,109 village women health focal points trained	1 421 village women health focal points trained	128.1%	100	150
	3.1.5	1,422 village doctors trained, by gender	1 608 village doctors trained and 36% women	113.1%	100	120
	3.1.6	2,749 township doctors trained, by gender	2 975 township doctors trained, 35% women	108.2%	100	115
	3.1.7	151,499 women of reproductive age educated with health knowledge	150 603 women of reproductive age educated	99.4%	100	98
	3.1.8	Ante-natal check-up support to 42,534 rural pregnant women	Ante-natal check-up support to 40 676 rural pregnant women	95.6%	100	72
	3.1.9	Baby delivery support to 37,516 rural women done	Baby delivery support to 36 984 rural women done	98.6%	100	78
C 3.2: Education - Improvement of village schools done; Training for	3.2.1	501 village schools rehabilitated	501 village schools rehabilitated	100.0%	100	100
	3.2.2	601 village schools equipped with necessary facilities	587 village schools equipped with necessary facilities	97.7%	96	100

teachers concluded.	3.2.3	2,819 village teachers appropriately trained, by gender	2 601 village teachers trained, 52% women	92.3%	100	87
C 3.3: Women development - Literacy training successfully carried out; Skill and IGAs training successfully concluded; Innovative activities successfully carried out.	3.3.1	Literacy training for 31,010 farmers held, by gender	Literacy training held for 35 253 farmers, 82% women	113.7%	100	71
	3.3.2	Skill training for 46,031 farmers carried out, by gender	Skill training for 45 831 farmers carried out, 97% women	99.6%	100	94
	3.3.3	65,486 farmers trained with IGAs skills, by gender	68 638 farmers trained with IGAs skills	104.8%	109	100
	3.3.4	USD 1.51 million of IFAD loan would be used for innovative credit activities operated by WFs	US$1.62 million of IFAD loan were used for innovative credit activities operated by WFs	107.3%	n/a	101
C 3.4: Domestic Water - Domestic water supply facilities constructed.	3.4.1	17,600 domestic water cisterns built	17 600 water cisterns built	100.0%	100	100
	3.4.2	296 water supply systems constructed	296 water supply systems constructed	100.0%	100	100 100 100
C 4: Program management - Training and workshops implemented; Training for gender focal points conducted; Training for VIG members carried out and VDPs developed.	4.1	1,605 villages prepared VDPs	1 597 villages prepared VDPs	99.5%	100	99
	4.2	3,429 VIG members trained	2 755 VIG members trained	80.3%	104	61
	4.3	Women proportion in planning and management units reaches 40%	42.5% women in planning and management units	106.3%	n/a	100
	4.4	*335 gender focal points trained on gender mainstreaming*	*373 gender focal points trained on gender mainstreaming*	*111.3%*	*114*	*100*

Source: ECPRPNS PCR

Assessment of programme effectiveness

		Project total			Ningxia	Shanxi
Impact and outcomes		*Performance indicators*	*Actual achievements*	*%*	*%*	*%*
Programme goal: To achieve sustainable and equitable poverty eradication through adoption on a large scale of integrated poverty reduction approach by government and other donors		50% of households with improved HH asset ownership index compared to baseline	51.7% of households with improved household asset ownership index	103.40	139.2	68.8
		40% drop in child malnutrition prevalence compared to baseline, by gender	Child chronic malnutrition dropped by 39%, 44% for boys and 36% for girls	98.00	112.5	96
		75% households with improved food security, compared to baseline	88.5% households with improved food security	118.00	n/a	132
Programme objectives: To reduce poverty in a sustainable and gender equitable way in the vulnerable programme area		60% reduction of poverty population compared to baseline	64% reduction of poverty population	106.70	n/a	128
		At least 50% of total direct beneficiaries are women	59% of total direct beneficiaries were women	118.00	128	106
		40% of borrowers for programme credit are women	51% of borrowers for programme credit were women	127.50	110	135
C 1.1: Field crops - Crops Development; Technical extension services strengthened and crops production increased	1.1.1	90% of participating households adopt technologies recommended by project	94% of participating households adopt recommended technologies on cropping	104.40	105.6	103
	1.1.2	80% of participating households report production/yield increase	90.5% of participating households report production/yield increase	113.10	123.8	116
	1.1.3	98% of the greenhouses built operational after 3 years	100% of the greenhouses built operational	102.00	50.6	n/a
	1.1.4	90% of program-supported farmer cooperatives operational	100% of program-supported farmer cooperatives operational	111.10	n/a	111
C 1.2: Land improvement - Land productivity increased and water management improved	1.2.1	30% increase of productivity in land improved	35% increase of productivity in land improved	116.70		117
	1.2.2	80% of beneficiary households adopt water management techniques recommended by project	89% of beneficiary households adopt recommended water management techniques	111.30	105	113

C 1.3: Livestock - Rangeland carrying capacity of livestock enhanced, livestock technical services improved and production increased	1.3.1	30% increased carrying capacity of improved rangeland	37.5% increase in carrying capacity on improved rangeland	125.00	n/a	0
	1.3.2	70% of participating households adopt technologies recommended by project	64% of participating households adopt technologies recommended on livestock	91.40	117.3	114
	1.3.3	58% of participating households report production increase	55% of participating households report production increase	94.80	57.7	54
	1.3.4	95% of program-built livestock-sheds operational	100% of program-built livestock-sheds operational	105.30	n/a	100
C 1.4: Forestry - Forest coverage increased and ecological environment improved	1.4.1	Survival rate of forest planted reaches at least 80%	Survival rate of trees planted was 85%	106.30	105	106
C 2: Rural financial services - Access for the poor and women to financial services improved	2.1	35% of total programme borrowers are belong to the B2 and C category households	74% of total programme borrowers were the B2 and C categories households	211.40	205.7	226
	2.2	30% of total programme borrowers are women	Women occupied 39.5% of total programme borrowers	131.70	110	145
C 3.1: Health - Rural health care conditions improved and service capacity enhanced, rural health status improved	3.1.1	85% of target village clinics improved	112% of target village clinics improved	131.80	111.1	123
	3.1.2	85% of the planned hospital delivery executed	86% of the planned hospital delivery executed	101.20	112.2	105
C 3.2: Education - Access for rural poor children to primary schools improved	3.2.1	Enrolment rate of school-age children for primary school reaches 98%	Enrolment rate of school-age children was 98%	100.00	101.2	99
	3.2.2	50% of the teachers participating programme training are women	52% of teachers trained were women	104.00	100	106
C 3.3: Women development - Women's capacity	3.3.1	At least 90% of total credit borrowers for women income generating activities funds are women	100% of total credit borrowers for women income generating activities funds were women	111.10	111.1	111

enhanced and women's access to credit improved	3.3.2	At least 80% of trainees attending WFs' skill/IGAs training are women	97% of trainees for WFs' skill/IGAs training were women	121.30	125.0	133
C 3.4: Domestic water - Access for rural poor to the sources of drinking water improved	3.4.1	205000 people sustainable access to improved sources of drinking water	More than 300,000 people access to improved sources of drinking water	146.30	n/a	103
C 4: Programme management - Programme activities effectively implemented and managed, participatory and gender sensitive approaches adopted	4.1	90% of target villages prepare VDPs with participatory approach	99.5% of target villages prepared VDPs with participatory approach	110.60	111.1	110
	4.2	At least 70% of PMO staff participate in gender sensitivity training	100% of PMO staff participated in gender sensitivity training	142.90	142.9	200

Source: ECPRPNS PCR

Project expense at design, MTR and completion

Total MTR approved and actual programme funding by financier per sub-component (in US$ '000)																
	IFAD loan			WFP grant			Government			Beneficiary			Total			
Sub-components	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*
Field crops	11 406	11 158	97.8%	253	202	79.8%	6 078	6 593	108.5%	9 371	9 895	105.6%	27 108	27 848	102.7%
Land improvement	-	-		4 001	3 854	96.3%	12 633	12 780	101.2%	-	-		16 634	16 634	100.0%
Livestock	2 875	3 062	106.5%	213	204	95.8%	3 494	3 572	102.2%	822	1 038	126.3%	7 404	7 875	106.4%
Forestry	1 480	1 912	129.1%	687	626	91.1%	4 869	5 145	105.7%	1 162	2 066	177.8%	8 199	9 748	118.9%
Rural financial service	5 536	5 255	94.9%	-	-		27	10	38.2%	-	-		5 564	5 265	94.6%
Health	3 557	3 265	91.8%	247	110	44.7%	1 785	1 959	109.7%	-	-		5 588	5 334	95.4%
Education	1 346	1 434	106.6%	146	18	12.0%	1 724	2 107	122.2%	-	-		3 216	3 559	110.7%
Women development	4 428	4 236	95.7%	573	470	82.0%	965	616	63.9%	-	-		5 966	5 322	89.2%
Domestic water	-	-		1 197	1 196	99.9%	7 728	7 729	100.0%	-	-		8 925	8 925	100.0%
Programme management	3 901	3 514	90.1%	-	-		6 906	6 317	91.5%	-	-		10 807	9 831	91.0%
Total	**34 529**	**33 835**	**98.0%**	**7 317**	**6 680**	**91.3%**	**46 209**	**46 828**	**101.3%**	**11 355**	**12 999**	**114.5%**	**99 410**	**100 341**	**100.9%**

Ningxia - MTR approved and actual programme funding by financier (in US$ '000)

	IFAD loan			*WFP grant*			*Government*			*Beneficiary*			*Total*		
Sub-components	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*
Field crops	6 840	6 798	99.4%	144	93	64.6%	3 781	3 820	101.0%	4 565	4 935	108.1%	15 330	15 646	102.1%
Land improvement	-	-		2 153	2 153	100.0%	4 983	4 983	100.0%	-	-		7 136	7 136	100.0%
Livestock	1 327	1 343	101.2%	105	96	91.4%	1 357	1 344	99.0%	461	484	105.0%	3 250	3 267	100.5%
Forestry	780	780	100.0%	399	338	84.7%	2 702	2 732	101.1%	671	850	126.7%	4 552	4 700	103.3%
Rural financial service	2 853	3 009	105.5%	-	-		21	4	19.0%	-	-		2 874	3 013	104.8%
Health	1 452	1 514	104.3%	176	59	33.5%	541	851	157.3%	-	-		2 169	2 424	111.8%
Education	437	454	103.9%	8	9	112.5%	653	663	101.5%	-	-		1 098	1 126	102.6%
Women development	2 240	2 330	104.0%	497	307	61.8%	445	320	71.9%	-	-		3 182	2 957	92.9%
Domestic water	-	-		795	795	100.0%	5 006	5 006	100.0%	-	-		5 801	5 801	100.0%
Programme management	1 642	1 374	83.7%	-	-		2 849	2 823	99.1%	-	-		4 491	4 197	93.5%
TOTAL	**17 572**	**17 602**	**100.2%**	**4 277**	**3 850**	**90.0%**	**22 342**	**22 551**	**100.9%**	**5 696**	**6 269**	**110.1%**	**49 887**	**50 272**	**100.8%**

Shanxi - MTR approved and actual programme funding by financier (in US$ '000)

	IFAD loan			*WFP grant*			*Government*			*Beneficiary*			*Total*		
Sub-Components	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*	*MTR approval*	*Actual*	*%*
Field crops	4 713	4 501	95.5%	109	109	100.0%	1 369	1 827	133.5%	5 588	5 766	103.2%	11 778	12 202	103.6%
Land improvement	-	-		1 848	1 701	92.0%	7 650	7 797	101.9%	-	-		9 498	9 498	100.0%
Livestock	1 600	1 776	111.0%	108	108	100.0%	1 955	1 970	100.8%	492	754	153.4%	4 154	4 608	110.9%
Forestry	705	1 140	161.6%	288	288	100.0%	2 101	2 251	107.2%	552	1 369	247.8%	3 647	5 048	138.4%
Rural financial service	2 686	2 249	83.7%	-	-		2	2	100.0%	-	-		2 689	2 252	83.7%
Health	1 963	1 633	83.2%	71	51	72.4%	1 385	1 225	88.5%	-	-		3 419	2 910	85.1%
Education	942	1 016	107.8%	138	9	6.2%	1 038	1 409	135.7%	-	-		2 118	2 433	114.9%
Women development	2 309	2 011	87.1%	76	163	214.7%	399	191	47.8%	-	-		2 784	2 365	85.0%
Domestic water	-	-		402	401	99.8%	2 722	2 723	100.0%	-	-		3 124	3 124	100.0%
Programme management	2 472	2 339	94.6%	-	-		3 844	3 285	85.5%	-	-		6 316	5 624	89.0%
TOTAL	**17 390**	**16 665**	**95.8%**	**3 040**	**2 830**	**93.1%**	**22 464**	**22 680**	**101.0%**	**6 632**	**7 889**	**119.0%**	**49 526**	**50 064**	**101.1%**

Components targets

1. Despite the amount of M&E data produced by the programme, it is not possible to come to a conclusive statement on the overall level of achievement at the level of objectives because of the questionable quality of indicators and data. For example, indicators at outcome level are highly perceptional and not clearly defined, like the adoption of technologies and productivity increases. Sample sizes are not defined and there are no supporting data sets. Nevertheless, the PCR, claims that 28 indicators on programme effectiveness, 25 indicators were fully achieved or overachieved, while only three indicators were not achieved. However, the PPA found that for another 10 indicators, there is either no data included in the PCR documentation to support the claim of achievement and/or the data quality is questionable. Furthermore, the aggregation of reported results from Ningxia and Shanxi in the PCR mask areas were their performance greatly differed. For example, the PCR included four indicators which Shanxi clearly failed to achieved, in particular those with regard to gender. In the case of four other indicators, it was mainly Ningxia's over-achievement that helped to meet the targets. Thus, the level of achievement was lower than claimed by the PCR, it was only moderately satisfactory.

Land-based activities

2. The land-based activities component intended to strengthen agricultural and animal husbandry productivity and environmental conservation through a wide range of investments in small scale irrigation systems (including rehabilitation of existing and development of new systems), soil levelling and terracing, grazing land rehabilitation, tree and shrub planting, technical extension station upgrading, and extensive farmer technical training and on-farm demonstration and trials of planting material. 60 per cent of the programme funding was allocated to this component. Most of the WFP's support was focussed on the land based activities component, and it appears that the terracing, irrigation scheme construction and rehabilitation, soil improvement, land levelling, rangeland rehabilitation and other WFP supported activities were quickly and efficiently implemented during 2002-05.

3. The MTR logical framework established 33 output targets for the programme's land based activities component within the four subcomponents of field crops, land improvement, livestock, and forestry. 23 of these output targets have been fully achieved, including the (a) construction or establishment of agro-extension units, semi-permanent greenhouses, irrigation cisterns, pipe irrigation systems, pump stations, drainage canals, soil runoff check dams, water storage dams, land terraces, animal sheds, and tree nurseries, (b) rehabilitation or improvement of irrigation canals and ponds, poor soils, pasture land, and sloped land, (c) planting of household trees, protection forest, and fodder, (d) training of farmers, extension agents, livestock technical staff, and forestry staff, and (e) extension and support of crop, livestock, and forestry experiments and demonstrations, and (in Shanxi) farmer cooperatives.

4. On the other hand, only 909 of the targeted 1769 poor households (that is, 51.4 per cent of the targeted households) were provided with permanent greenhouses. However, the Ningxia implementation staff explained to the PPA team that the permanent greenhouses were very costly and not needed in the quantities originally planned under the MTR. Instead, an appropriate lesser number of the permanent greenhouses were established under the programme primarily for the purpose of timely provision of planting materials used in the larger number of much lower cost semi-permanent greenhouses.

5. A closer look at the indicators shows that the achievement of output targets under this component was significantly higher in Ningxia, where 30 targets have been fully achieved. Ningxia has been significantly more successful on the livestock and

forestry sub-components. Land improvement activities were clearly more important in Ningxia, with a higher number of targets set to start with.

Component 1: Land-based activities – achievement of output targets

			Number of Indicators reaching 100 per cent indicator targets		
Sub-component	*Sub-component content*	*Number of indicators*	*Total project PCR*	*Ningxia PCR*	*Shanxi PCR*
Field crops	Agro-extension units; Extension agents and farmers; New cropping technologies; Production facilities for poor households	8	5	6	5
Land improvement	Irrigation facilities; Drainage schemes; Soil and water conservation activities	11	11	11	4 (7 n/a)
Livestock	Rehabilitation of rangeland; Experiments and demonstrations; Training of livestock technical service staff and farmers; Improvement of livestock warm-sheds	7	3	6	2
Forestry	Tree planting and demonstrations; Desertification control activities; Forest nursery; Training for forest staff	7	4	7	4
Total indicators		**33**	**23**	**30**	**15**

Financial services

6. The financial services component was seen as a major instrument to help the target population to build assets for sustainable development and was intended to target profitable activities including grain production, cash crops, livestock, food processing, and other off-farm activities. The Rural Credit Cooperatives (RCC) played the lead role in the component, and it was expected that the RCCs would be developed into an effective, efficient and viable rural banking system with an enhanced poverty reduction and gender equity focus. The component included a training activity and support for RCCs' incremental equipment needs.

7. The output targets for the financial services component included the amount of IFAD funding to be used as a revolving fund, and the numbers of RCC staff and VIG members trained. Achievement rates for these targets were relatively low and varied from 97.5 to 113.6 per cent.

Component 2: Financial services – achievement of output targets

		Number of indicators reaching 100 per cent indicator targets		
Component Description	*Number of indicators*	*Total project PCR*	*Ningxia PCR*	*Shanxi PCR*
Credit lending; Capacity building for RCCs staff	3	1	1	0

Social development

8. The social development component was intended to improve the poor's access to education, health and other social services in order to strengthen human capital. The component included support to rehabilitate about 550 village primary schools, provide literacy and skills training, provide health care equipment, support village health care workers and doctors, and provide community health and nutritional awareness training. The education and health activities were targeted to girls and women, and a micro-initiatives fund was to be set up within each county's All China Women's Federation (ACWF) chapter. In addition, a substantial investment in

improving drinking water systems was included in order to increase the availability and quality of drinking water and ease women's burden of fetching water. The drinking water activity was funded through the WFP support.

9. More than half of the 18 MTR targets for the social development component were focussed on women or were differentiated by gender. Achievement rates were 92.3 per cent or greater for (a) the construction, rehabilitation, equipping, or maintenance of village schools and health clinics, township hospitals, domestic water cisterns, and water supply systems, (b) training of village teachers, village women's health focal points, village and township doctors, and reproductive age women in health knowledge, (c) undertaking or providing support for treatment for reproductive tract infections, ante-natal check-ups, and infant delivery, and (d) literacy, skills, and income generating activity training. Ningxia's achievement on the gender focussed indicators was significantly higher.

Component 3: Social development – achievement of output targets

			Number of indicators reaching 100 per cent indicator targets		
Sub-Component	*Sub-component component differentiated by a gender focus*	*Number of indicators*	*Total project PCR*	*Ningxia PCR*	*Shanxi PCR*
Health	Township hospitals and village clinics; Township and village doctor training	2	1	0	1
	Health care for women; Health education; Support to ante-natal check-up and baby delivery	7	4	7	3
Education	Improvement of village schools	2	1	1	2
	Training for teachers, by gender	1	0	1	0
Women development	Literacy training; Skill and IGAs training; Innovative activities	4	3	3 (1 n/a)	2
Domestic water	Domestic water supply facilities	2	2	2	2
Total indicators		**18**	**10**	**14**	**10**
Gender indicators		*12*	*7*	*11*	*5*

Management

10. The management component supported provincial start-up workshops, training on monitoring and participatory rural appraisal methodologies, computer and accounting training, transport facilities, office equipment and operating costs. The PMOs were to use and coordinate the existing technical and social agencies and bureaus at the provincial, prefectural, county and township levels for undertaking programme activities, and a special emphasis was given to reducing staffing to the minimum required for effective facilitation of programme implementation. All of the PMOs were to have nominated a gender focal point (typically a senior staff member of the local Women's Federation transferred into the PMO).

11. The output targets for the management component included the preparation of village development plans (VDP), numbers of VIG members and gender focal points trained, and proportion of women in planning and management units. Achievement rates for these targets ranged from 80.3 to 111.3 per cent. The two targets missed in both provinces were related to the participatory process and capacity building for VIGs.

Component 4: Programme management – achievement of output targets

Component description	*Number of indicators*	*Number of indicators reaching 100 per cent indicator targets*		
		Total project PCR	*Ningxia PCR*	*Shanxi PCR*
Training and workshops; Training for gender focal points; Training for VIG members; VDPs	4	2	3	2

Comments on the mid-term review process

1. Significant changes to the programme goal, objective, logical framework, monitoring and evaluation (M&E) indicators, and component shares and costs were formalized as part of the 2008 MTR process. The updated wording of the programme goal and objective appear to give greater emphasis to promoting the integrated multisectoral poverty reduction approach and to gender equity, while perhaps somewhat reducing the focus on environmental conservation. Accordingly, the logical framework was altered, the M&E indicators were revised, and the Result and Impact Monitoring System (RIMS) tool was formally introduced at this time.

2. Importantly, with the adoption of the RIMS approach, the 2000-01 baseline survey data analysis was not replicated as part of the programme completion exercise. Instead, the first RIMS survey undertaken in 2007 became the updated programme baseline survey.

3. In practice, programme investments in basic education and health were scaled back as part of the MTR process, and these fund savings were reallocated to greenhouse and animal shed construction and, in Shanxi, to farmer cooperatives. As a result, as shown in table 1, investment in the land based activities component increased from 48 per cent (as approved) to 62 per cent (actual) of total costs, while investments in the social development and management components declined from 31 and 15 per cent of total costs to 23 and 10 per cent respectively. Reflecting exchange rate volatility, table 1 shows the reappraised summary of programme costs at MTR and completion.

Table 1
Summary of programme costs (in US$) at MTR and completion, with IFAD's and WFP's contributions

	Total project				*IFAD*				*WFP*			
Component	*MTR US$ million*	*% of base costs*	*Actual US$ million*	*% of actual costs*	*MTR US$ million*	*% of base costs*	*Actual US$ million*	*% of actual costs*	*MTR US$ million*	*% of base costs*	*Actual US$ million*	*% of actual costs*
Land-based activities	59 345	60	62 105	61.9	15 761	15.9	16 132	16.1	5 154	5.2	4 886	4.9
Financial services	5 564	6	5 265	5.2	5 536	5.6	5 255	5.2	-		-	
Social development	23 695	23.8	23 140	23.1	9 331	9.4	8 935	8.9	2 163	2.2	1 794	1.8
Project management	10 807	11	9 831	9.8	3 901	3.9	3 514	3.5	-		-	
Total costs	**99 411**	100	**100 341**	100	**34 529**	34.7	**33 835**	33.7	**7 317**	7.4	**6 680**	6.7

Source: ECPRPNS PCR – annex 4

Programme costs against MTR budget

1. Overall, as expected, expenditure on the land based activities accounted for more than 60 per cent of total expenditure (and nearly 50 per cent of IFAD total expenditure), and expenditure on social development activities represented another 22 per cent of total expenditure. By comparison, expenditure on the other two components of rural financial services accounted for just 5 per cent of total actual programme expenditure r 15 per cent of the IFAD loan. Spending on programme management was around 10 per cent of the total programme budget for the two Provinces, it is however notable that Shanxi spent 14 per cent of the IFAD loan on programme management.

Actual programme costs against planned budget (MTR)

Programme components	*IFAD loan (MTR)*				*Total programme budget (MTR)*			
(Total programme)	*Planned budget*	*%*	*Actual costs*	*%*	*Planned budget*	*%*	*Actual costs*	*%*
1. Land-based activities	15 761	45.6%	16 132	47.7%	59 345	59.7%	62 105	61.9%
2. Financial services	5 536	16.0%	5 255	15.5%	5 564	5.6%	5 265	5.2%
3. Social development	9 331	27.0%	8 935	26.4%	23 695	23.8%	23 140	23.1%
4. Programme management	3 901	11.3%	3 514	10.4%	10 807	10.9%	9 831	9.8%
Total	**34 529**	**100.0%**	**33 836**	**100.0%**	**99 411**	**100.0%**	**100 341**	**100.0%**

Source: own calculation using data based on ECPRPNS PCR 2012 – annex IV: Actual Programme Costs

Components (Ningxia only)	*IFAD loan (MTR)*				*Total programme budget (MTR)*			
	Planned budget	*%*	*Actual costs*	*%*	*Planned budget*	*%*	*Actual costs*	*%*
1. Land-based activities	8 947	50.9%	8 921	50.7%	30 268	60.7%	30 749	61.2%
2. Financial services	2 853	16.2%	3 009	17.1%	2 874	5.8%	3 013	6.0%
3. Social development	4 129	23.5%	4 298	24.4%	12 250	24.6%	12 308	24.5%
4. Programme management	1 642	9.3%	1 374	7.8%	4 491	9.0%	4 197	8.3%
Total	**17 572**	**100.0%**	**17 602**	**100.0%**	**49 887**	**100.0%**	**50 272**	**100.0%**

Source: own calculation using data based on ECPRPNS-Ningxia PCR 2012 – annex IV: Actual Programme Costs

Components (Shanxi only)	*IFAD loan (MTR)*				*Total programme budget (MTR)*			
	Planned budget	*%*	*Actual costs*	*%*	*Planned budget*	*%*	*Actual costs*	*%*
1. Land-based activities	7 018	40.4%	7 417	44.5%	29 077	58.7%	31 357	62.6%
2. Financial services	2 686	15.4%	2 249	13.5%	2 689	5.4%	2 252	4.5%
3. Social development	5 215	30.0%	4 660	28.0%	11 445	23.1%	10 832	21.6%
4. Programme management	2 472	14.2%	2 339	14.0%	6 316	12.8%	5 624	11.2%
Total	**17 390**	**100.0%**	**16 665**	**100.0%**	**49 526**	**100.0%**	**50 064**	**100.0%**

Source: own calculation using data based on ECPRPNS-Shanxi PCR 2012 – annex IV: Actual Programme Costs

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