

CHINA COUNTRY PROGRAMME EVALUATION

Promoting innovations and scaling up impact

In 2013, the Independent Office of Evaluation of IFAD undertook the first country programme evaluation (CPE) of China, assessing the IFAD-China partnership over the period of 1999-2013. China is IFAD's second-largest borrower, receiving loans now on ordinary terms. Since the approval of the first loan in 1981, IFAD has lent US\$775 million for 27 projects with a total project cost of US\$1.94 billion. The CPE covers 13 of these projects, with total IFAD lending of US\$434 million. For most of the lending, sub-national governments are the ultimate borrowers. Throughout the partnership, the Government has directed IFAD's support towards remote and poor communities, ethnic minorities, and rural areas with a challenging natural resource environment.

Until 2005, IFAD, in partnership with the World Food Programme (WFP), focused on food security and rural finance. In around 2005, China became a donor to WFP, and IFAD's focus changed towards agricultural production and marketing and rural infrastructure. The Government of China values its partnership with IFAD in terms of IFAD's contribution to introducing innovations and the potential it has for facilitating knowledge-sharing, including South-South cooperation. It also appreciates IFAD loans for smallholder agriculture development projects in remote rural areas to reduce poverty and inequality.

Over the last three decades China has sustained remarkable economic growth and some 600 million people have escaped poverty. Today poverty is mainly in remote rural areas of the country. Given the large number of poor rural people in the country, scaling up of successful IFAD-funded project approaches will have a significant multiplying effect in the country's endeavours to reduce poverty.

In spite of the positive results, there are opportunities to further promote innovative approaches to rural poverty reduction and scaling up impact.



Farmers work on tea plantation in the Babian township. Diverse permanent crops have been established - coffee, tea, mulberry, fruit, tung and bamboo - mainly on sloping land.

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Innovation and scaling up impact

The CPE concludes that the China-IFAD partnership has delivered satisfactory results, mainly evidenced by the impact on household income and food security of the loan portfolio. In addition, most of the supported activities have good prospects of being sustained by their commercial viability or by the large public budgets for agriculture and rural poverty reduction.

Innovation. Although IFAD has identified innovation and scaling up as institutional priorities on the agenda, the CPE finds little evidence to indicate that these have been mainstreamed into the country programme in China, although it recognizes the challenges of evaluating this area. It is difficult to determine whether a certain approach or activity

really is an innovation. It is also difficult to attribute an innovation to a particular agency, as innovations tend to emerge in teamwork. Furthermore, project monitoring systems generally only focus on the project area and therefore do not capture scaling-up processes that might be taking place outside. Also, monitoring systems seldom give special treatment and attention to innovations, which are monitored in the same way as standard activities.

While IFAD generally is not directly involved in the development of new technologies and prototypes – the Fund does play a role in introducing and demonstrating already developed innovations in national or local contexts, assessing their viability and scaling-up potential, and making any adaptations required.

The CPE finds that the agricultural development components have delivered more distinct innovations, often introduced during implementation rather than in design. For example, in administrative villages in Inner Mongolia, Village Livestock Service Stations have been established, staffed with trained village veterinarians and with facilities for artificial insemination, which has resulted in more than a doubling of sheep. Service charges sustain the stations. This is the first time such a facility has been established in China, and it is truly an innovation. In Ningxia and Shanxi, demonstration plots were organized in the fields of very poor farmers, making the demonstration relevant to other poor farmers. This was a departure from the Chinese tradition of using the better-off lead farmers as demonstrators, which often hindered poor farmers from replicating the demonstration.



A veterinarian trains farmers in a school in Nuna village. An IFAD-funded project provides credit for the purchase of animal medicines by village veterinarians.

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A number of systems and technologies, which are known in China but not in certain local contexts, have also been introduced. Chinese purple yams were demonstrated among poor smallholders in Guangxi, who in many cases achieved a life-changing increase in income. And in Gansu, the introduction and demonstration of the new technology of membranes and double ditch for crop production has largely increased cereal yields, which translated into substantial financial benefits.

Scaling up. The CPE found little evidence of scaling up outside the project areas or of any systematic support for starting the scaling-up process. Even in the private sector sphere, markets alone seldom spread a new product, since major promotional campaigns are required. Unlike a private company's marketing department, which is rewarded for increases in market shares, there are little incentives for IFAD and its partners and their staff to achieve scaling up. A typical IFAD-funded project in China is implemented and financed by sub-national governments, which rightly may ask why it should take on more debt to finance activities that benefit other provinces and regions.

In the current partnership structure there is no central government technical partner (e.g. Ministry of Agriculture, the State Council Leading Group Office on Poverty Alleviation and Development) which could capture an innovation at province/county level, assess it and promote it more widely. Success in scaling up is also constrained by IFAD's limited partnerships with other international financial institutions, who have relatively more resources than IFAD and could potentially scale up innovative approaches that have proven to be successful in the context of IFAD-supported operations. Building such solid partnerships will be facilitated by the out-posting from Rome to Beijing of IFAD's country programme manager for China, which according to the CPE should be a priority.

Finally, though more attention has been devoted to knowledge management in recent years in the China country programme, additional resources and efforts will be needed in this area in the future. Coherently documenting and systematically sharing successful experiences, lessons and good practices of innovative approaches to rural poverty reduction is also an essential ingredient for scaling up impact.

Further information:

The Profile and Insights of the People's Republic of China Country Programme Evaluation are available online at: www.ifad.org/evaluation; email: evaluation@ifad.org.