

# profile

Number 70, September 2010

## The right ingredients for making sustainable impact

West Guangxi Poverty-Alleviation Project, China

**The overall objective of the West Guangxi Poverty-Alleviation Project (WGPAP) was to achieve sustainable and equitable poverty reduction in the karst area of Guangxi Zhuang Autonomous Region (GZAR) in south-western China. To that end, the project aimed to increase productive capacity, both on- and off-farm, and to offer better access to economic and social resources, including financial services, education, health and social networks in ten of the poorest GZAR counties.**

### Main evaluation findings

IFAD Office of Evaluation (IOE) undertook a completion evaluation of the WGPAP in 2009. The evaluation noted that the project was relevant to the needs of the rural poor inasmuch as it addressed the major dimensions of rural poverty. Its design was consistent both with national policies and with IFAD's country strategy, and it also integrated lessons from previous IFAD-financed interventions in China. By operating in counties particularly vulnerable to poverty and following a stringent targeting approach based on vulnerability assessment and mapping techniques, the project got under way with a solid, relevant foundation for success. The inclusion of a rural financial services component based on the rural credit cooperatives (RCC) network substantially enhanced project relevance. The entire design process may be therefore considered as good practice.

Project effectiveness is judged to have been highly satisfactory, especially with regard to food security, income generation, health, education and the establishment of new business ventures, a key ingredient having been the high level of coverage across the ten project counties in which the project was implemented. Overall project efficiency was satisfactory, but it failed to prove conclusively that the economic rate of return at completion was higher than that foreseen at appraisal.

The evaluation noted that, overall, WGPAP's poverty-reduction impact was broadly satisfactory. Despite the existence of mainstream poverty-alleviation programmes funded by the Government, the improved living conditions noted in the project counties/townships may be attributed to WGPAP with a fair degree of certainty. Household incomes and assets rose significantly and steadily, thereby implying that the project's poverty reduction targets were reached. The evaluation also discerned a significant impact in the domains of social capital and empowerment, food security, natural resources and the environment. Systematic, broad-based training activities and literacy courses, especially for women, greatly contributed to this success. As far as institutions and policies are concerned, remarkable progress was seen in the service delivery capacity of both the county/township authorities and RCC network, although overall institutional capacity at the village level remains weak.



Typical village in Napo district.

Source: Ernst Schaltegger

### PROJECT DATA

**Project cost: US\$107.3 million**

**IFAD loan: US\$30.4 million**

**Contribution of the Government: US\$54.0 million**

**Contribution of cofinancier (World Food Programme): US\$11.2 million**

**Contribution of Beneficiaries: US\$11.7 million**

**Cooperating institution: United Nations Office for Project Services**

**Executing Agency: Ministry of Finance Government of China**

**Board approval: 06 December 2000**

**Loan signature: 20 February 2001**

**Loan effectiveness: 21 March 2002**

**Project completion: 31 March 2008**

**Loan closing: 30 September 2008**

Two key factors contributing to sustainability were, and still are, the existence of mainstream government programmes for poverty alleviation - to which WGPAP was complementary - and the seamless integration of project management at the county and township levels into local government structures. These factors outweigh areas of constrained sustainability, such as the subsidy elements still perceivable in the RCC network's formation of interest and refinancing rates, and the high level of public service delivery in remote areas. In terms of innovation and scaling up, the project went to great lengths to capture and document innovations, but it received little input from IFAD despite the intended innovation drive articulated in the country strategic opportunities paper (COSOP) of 2005.

The success of WGPAP must be seen as an exception compared with other poverty-alleviation projects across the globe. Why should this be? The evaluation mission attributes the project's success to strong synergy of three key ingredients, namely, quality at entry, implementation capacity and a conducive policy and institutional environment.

Quality at entry was marked by the early unwavering determination, by and among the main

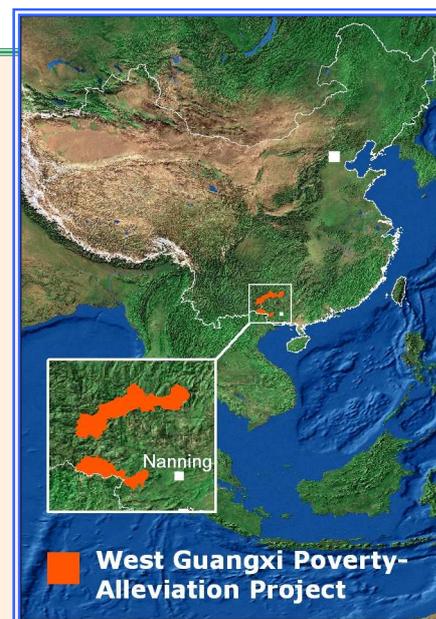
partners, to reach agreement on key fundamentals of the project: solid partnerships forged along proven patterns, strong participation and ownership on the side of national partners during design, and participatory mechanisms involving large numbers of the target population. Moreover, the component mix and cost-sharing mode reflected both perceived needs and comparative advantages.

The project's implementation capacity was driven by the experience and ability of the provincial project management office to provide decisive guidance, by the presence of committed and qualified human resources (sufficient in numbers and able to transform guidance into action), and by the continuity of such human resources.

The project environment was conducive because implementation was supported by a set of government policies with a clear rural poverty-reduction focus that emerged at WGPAP design, and the local government structure showed itself to be capable of integrating the project as a mainstream undertaking. Finally, the stable political environment and booming economy during the life of the project constituted a robust bottom line.

## Key recommendations

- **Design of future IFAD-funded projects in China.** The design of any future IFAD-funded rural development projects in China should continue to be responsive to the multidimensional character of rural poverty and the growing expertise of national stakeholders in these types of operations.
- **Institutional partnerships.** Project partnerships should exceed the boundaries of provincial and local government in the strict sense, e.g. village implementation groups should continue to play a planning and monitoring role with their core management capacity strengthened to include service delivery functions. Equitable gender representation should be also ensured in positions of responsibility. Likewise, partnerships with provincial RCC networks should be placed on a completely new footing by taking account of ongoing reforms and reaching agreement on the sharing of information conducive to making real-time assessments of loan portfolios and banking performance indicators.
- **Role of innovation in IFAD-funded projects.** Future IFAD-funded projects in China should place greater emphasis on innovation and its promotion. Priority should be given to innovations that respond to global challenges such as food security, soil fertility, alternative sources of energy and climate change.
- **Monitoring & evaluation (M&E) and management information systems (MIS).** Any future IFAD-funded projects in China should foster a quantum leap in the state-of-the-art of M&E and MIS, with the aim of making advanced M&E and MIS methods a mainstream feature in the country.



### Further information:

People's Republic of China, West Guangxi Poverty-Alleviation Project, Completion Evaluation, Report No. 2200-CH, September 2010, ISBN 978-92-9072-143-7, IFAD Office of Evaluation, Via Paolo di Dono 44, 00142 Rome, Italy. The full report and Profile are available online at [www.ifad.org/evaluation](http://www.ifad.org/evaluation); email: [evaluation@ifad.org](mailto:evaluation@ifad.org).

*The designations employed and the presentation of the material in the map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.*