China Country Programme Evaluation National Roundtable Workshop

Reflections on future directions by Matteo Marchisio Country Programme Manager, Asia and the Pacific Division IFAD

Beijing, China 17 July 2014 Thank-you for inviting me to share some reflections on what has been discussed today and the future directions of our engagement in China.

But before starting, I would like to take this opportunity to thank the Independent Office of Evaluation for having organized this workshop, the Ministry of Finance for hosting it, and all of you for your participation.

As the *frontliner* who would need to translate the principles, the ideas, the recommendations that we have discussed today into actions, let me share some thoughts on the key messages that have been delivered today and how I see the way forward. And let me perhaps start by listing, not in order of priority, some of the recurrent messages I have heard today.

First, the partnership between IFAD and China is strong. It was a shared opinion the fact that the partnership between IFAD and China is strong, equal, and mutually beneficial -- and, as Mr. Liang said this morning, 'for the long term'. This is the basis, the foundation upon which to build, discuss, develop our future cooperation.

Second, the performance of our lending program is satisfactory. It was recognized by the Country Programme Evaluation, and confirmed by our participants, that our lending program is performing satisfactorily: it is relevant, sustainable, and its impact significant. (And let me take this opportunity to give credit to Sana, Thomas Rath and all the previous country programme managers, and to our country office staff for this result).

The satisfactory performance of our lending program is important for two reasons: first, as highlighted by our Associate Vice President during his opening remarks this morning, lending will continue to represent the core element of our support in China. Second, lending and non-lending activities - the latter the area where the Country Programme Evaluation recommended to put emphasis on - go arm-in-arm, as knowledge management, policy dialogue, south-south cooperation could not be significant or effective if not anchored to and supported by the experience, the lessons, the evidence generated by projects.

Third recurrent message: the IFAD-China relationship should go beyond the simple lending-borrowing relationship. As much as lending is important and will continue to represent the core of our support in China, the cooperation with China requires a more broad and sophisticated set of instruments, and new forms and areas of collaboration and new products would need to be explored.

The conclusions of the Country Programme Evaluation put emphasis on the need to continue strengthening (and provide more resources to) knowledge cooperation, policy dialogue, and south-south cooperation. Our Associate Vice President suggested this morning a few new instruments that can be considered: reimbursable technical assistance, the establishment of a dedicated South-South Cooperation Trust Fund, and co-financing of IFAD-supported projects in third countries.

Let me now try to share my initial reaction on some of the themes or issues that emerged during this afternoon's group discussions.

First, the discussions suggested a number of areas where the future country programme can focus on, but they also highlighted a number of trade-offs and strategic decisions that would need to be taken: should we focus on agriculture or non-agriculture areas? (which I interpreted as whether we should focus on high-production or low-production areas); smallholders or industrial leaders? Productive or vulnerable poor? Shall we give priority to policy impact or outreach? and so on.

Second, the issue of whether a top-down or a bottom-up approach should be followed to define our country programme priorities and interventions. I don't want to go deeply into the matter of whether a bottom-up approach or a top-down approach is better. Both approaches have pros and cons, and we should be aware of the strengthens and weaknesses, and potential and the limits of each approach. My view is that we should probably aim at a middle-way: an approach that balances the two.

Third, on the scope of the future partnership. As often happens during brainstorming sessions, a number of ideas of possible areas that the future partnership can cover have been generated. However it will be impossible to pursue all of them, and they will ultimately need to be narrowed down, and, as in the case of the identified trade-offs, strategic choices would need to be made.

How to bring all these inputs, suggestions, ideas together?

The development of the next Country Strategy, or COSOP, would offer an opportunity to discuss and frame these inputs, suggestions, and ideas into a

coherent strategy. And within this context, the Country Programme Evaluation and this National Roundtable Workshop represent the first step of the COSOP development process.

Just to give you an idea of the tentative timeframe for the development of this exercise: the COSOP is expected to be approved by the end of 2015. We will then start the process towards the end of this year or beginning of next year, and in the course of 2015 we will go through a series of consultation processes which involve a wide range of stakeholders.

Let me conclude these reflections with a personal remark.

I realized that the recommendation of outposting the country program manager here in China has generated a lot of positive reactions and expectations.

I would like to express my gratitude for such reactions and I look forward to moving to China soon.

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