

# **China Country Programme Evaluation National Roundtable Workshop**

**Opening remarks by**

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Honourable Mister Liang, Deputy Director General of the Ministry of Finance,

Distinguished representatives of government agencies and projects,

Partners,

Ladies and gentlemen:

It is a great pleasure to be here today to represent IFAD to this national roundtable workshop for the independent country programme evaluation of the China country programme.

And, as my first visit to China in my new capacity as IFAD Associate Vice President for the Programme Management Department, it is a great pleasure to meet many of our partners: from the government, our projects, academia, research and institutions, civil society, and development partners.

This independent evaluation, the first in China, comes at an important stage in the relationship between IFAD and China.

Since the start of far-reaching economic reforms in the late 70s, China has witnessed an impressive economic growth that has fuelled a remarkable increase in per-capita income and a drastic decline in poverty. China is one of the first developing countries to achieve the Millennium Development Goal of reducing by half the number of its people living in extreme poverty and hunger. Its economic reforms, together with a well-funded national poverty reduction program, has brought about major reduction in rural poverty.

However, despite the remarkable progress in economic and social development, and poverty reduction, China still faces many challenges to reduce residual poverty. Disparities in income among provinces and between urban and rural areas have been widening. Pockets of poverty persist in many provinces, especially in border regions, areas inhabited by ethnic minority groups, and former revolutionary bases that were settled from the 1920s through the 1940s in remote, mountainous locations. Urban incomes are now three times higher than rural incomes, and poverty remains primarily a rural phenomenon.

IFAD has accompanied and supported the Government of China in this effort to reduce rural poverty since 1981 -- first international financing institution to finance an operation in China. In more than 30 years, IFAD has financed 27 projects in 28 different provinces, mostly in the most remote and vulnerable areas, providing more than US\$ 780 million in loans and grants, and bringing global experience, international best practices, knowledge, and innovations in agriculture and rural development. Particularly, IFAD has focused on - and given special attention to - the most remote and marginalized areas, women, ethnic minorities, and grass-root organizations.

The impact of IFAD interventions in China has been significant. An independent study by a group of Chinese experts to analyse the economic, social and ecological benefits of IFAD projects in China, published in *Outlook on Agriculture 2011*, concluded that IFAD projects achieved “*outstanding results and far-reaching impact*”, particularly in terms of increase in income, asset-building, and enhanced agriculture productivity and food security -- and “*have played an important role in rural poverty reduction in China*”.

Particularly, IFAD projects have been recognized to have had an important role in introducing a more participatory planning process; community-based management systems for community facilities and infrastructures; and poverty and gender-sensitive targeting.

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The relationship -- the partnership -- between IFAD and China is strong, and has evolved and strengthened over time. IFAD values China not just as a borrower and contributor, but also as a source of knowledge and good practices, particularly on agricultural development and poverty reduction. On the other hand, China has demonstrated to value IFAD’s contribution to China’s efforts towards poverty reduction and sustainable development, particularly in rural areas, and to appreciate IFAD as a source of global experience and best practices, knowledge, innovation and financing in agriculture and rural development.

The Country Programme Evaluation acknowledges the strong and mutually partnership between IFAD and China.

It confirms the relevance of IFAD programs and projects to the Government's development strategies and priorities, and it highlights many of the past achievements.

But the Country Programme Evaluation does not only provide an opportunity to appreciate the achievements of our thirty-year cooperation: it also offers an opportunity to strategically think the future direction of this partnership, and how this partnership could and should evolve.

As an International Financing Institution, lending will continue to represent the core element of our support. IFAD will continue provide financial resources to support investments in rural areas, bringing about innovative, knowledge-based solutions, to help the Government to achieve its objectives of eliminating absolute poverty and substantially reducing relative poverty by 2020.

However, IFAD recognizes that China demands more than simple financial support, and that in the future new financial sources and new products and instruments need to be explored and offered, in addition to the traditional loans.

Consistent with the strategic direction our partnership has embarked on since the development of our last Country Strategy or COSOP in 2011, and benefiting from the experience and the lessons learnt in these areas in the past three-four years, IFAD will continue to (and will increase its) support to knowledge management with the objective of better informing policy and decision-making; focus on scaling-up successful practices in rural development; and facilitating south-south cooperation.

In order to better pursue this agenda, IFAD is committed to strengthen the IFAD Country Office in Beijing. IFAD is considering outposting the China Country Programme Manager in Beijing in order to facilitate the relationship with the Government and other partners, and to enhance policy dialogue and other non-lending activities. The Country Office is envisioned to become a sub-regional hub that could serve China, and other countries in the sub-region - namely Mongolia, DPRK, and the Philippines - and a Knowledge Hub for rural development for the whole Asia and the Pacific Region.

The provision of reimbursable technical assistance (or RTA); the establishment of a South-South Cooperation Trust Fund within IFAD with possibly the financial support of China; and public-debt funding and co-financing of IFAD supported projects in third countries are examples of additional products and instruments that can be tested and implemented in the future.

The next Country Strategy, which will be developed in 2015, would provide an opportunity to further discuss and firm-up some of these principles and cooperation modalities.

Finally, let me take the opportunity to thank the Government of China for the continuous and increasing support to all IFAD's replenishments, and particularly to its contribution to the ninth replenishment. This is recognized as a clear sign of the increasing role that China wants to play in global efforts to fight rural poverty.

Mr. Liang, distinguished partners and government representatives:

Let me conclude these opening remarks by wishing that the strong and long-lasting partnership between IFAD and China could continue and be enhanced in the future.

I wish a successful and productive workshop, and I look forward to hearing your discussions, your conclusions and your recommendations.

Thank-you.