

PEOPLE'S REPUBLIC OF CHINA

MODULAR RURAL DEVELOPMENT PROGRAMME

SUPERVISION REPORT

JULY 2012

Loan No.	709-CN
Project No.	1323
Report No.	2731-CN

PEOPLE'S REPUBLIC OF CHINA

Modular Rural Development Program – 709-CN

Supervision Mission: 5-21 July 2012

Main Report

TABLE OF CONTENTS

Introduction	1
Overall Assessment of Project Implementation Progress.....	1
Outputs and Outcomes, by Component.....	2
Project Implementation Performance.....	6
Fiduciary Aspects.....	9
Sustainability	11
Impact	12
Conclusion	13
Appendices	15
Appendix 1: Summary of Project Status and Ratings.....	17
Appendix 2: Progress Against Previous Mission (2011) Recommendations.....	21
Appendix 3: Financial: Actual financial performance by financier; by component and disbursements by category.....	23
Appendix 4: Compliance with financing agreement covenants.....	27
Appendix 5: Physical progress measured against AWP&B and appraisal targets, including RIMS indicators.....	31
Appendix 6: RIMS Tables.....	39
Appendix 7: Learning and Innovation.....	51
Appendix 8: Logical Framework.....	53
Appendix 9: Supervision Mission Schedule and Persons Met.....	57
Appendix 10: Summary of implementation support provided by IFAD.....	61
Appendix 11: Audit Log.....	15

CURRENCY EQUIVALENTS

Currency Unit	=	Yuan (CNY)
USD 1.00	=	CNY 6.8 (Appraisal)
USD 1.00	=	CNY 6.312 (20 July 2012)
USD 1.00	=	SDR 0.662953 (19 July 2012)
SDR 1.00	=	USD 1.508403 (19 July 2012)

WEIGHTS AND MEASURES

1 ha	=	15 mu
1 mu	=	0.067 ha
1 kg	=	1 jin
1 Jin	=	0.5 kg

FISCAL YEAR

1 January – 31 December

ABBREVIATIONS AND ACRONYMS

ACPO	Associate Country Program Officer (IFAD)
AWPB	Annual Work Plan and Budget
BOA	Bureau of Agriculture
BOF	Bureau of Finance
CNY	Chinese Yuan
CPM	Country Program Manager (IFAD)
CPMOs	County Program Offices
DOA	Department of Agriculture
DOF	Department of Finance
HH	Household
IA	Implementing Agency
ICO	In-Country Office (of IFAD)
IFAD	International Fund for Agricultural Development
IGA	Income Generating Activities
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MRDP	Modular Rural Development Program
NRM	Natural Resources Management
PADO	Poverty Alleviation and Development Office
PLG	Programme Leading Group
PMO	Programme Management Office
PPMO	Prefecture Program Management Office
CPMO	County Program Management Office
RCCU	Rural Credit Cooperative Union
RIMS	Result and Impact Management System
RMB	Renminbi Yuan (Chinese Yuan, same as CNY)
RPMO	Regional Program Management Office
SDR	Special Drawing Rights
TE	Technical Envoy
USD	United States Dollar
VIG	Village Implementation Group
VCF	Village Credit Fund
WA	Withdrawal Application
WF	Women Federation
XUAR	Xinjiang Uyghur Autonomous Region

PEOPLE'S REPUBLIC OF CHINA

Modular Rural Development Program – 709-CN

Supervision mission: 5-21 July 2012

• Introduction

1. An IFAD supervision and implementation support mission¹ to the Modular Rural Development Program (MRDP) in Xinjiang Uyghur Autonomous Region (XUAR) took place from 5 to 21 July 2012. On this occasion ten days (7-16 July) were devoted to field visits to six counties of two prefectures in southern part of XUAR, namely Yutian, Cele and Moyu counties in Hetian Prefecture and Jiashi, Shule and Shufu in Kashi (Kashgar) Prefecture. The mission conducted consultations with all the main stakeholder agencies of the program at various levels, sector related agencies such as Department of Agriculture (DOA), Environmental Protection Administration (REPA), VIG staff, various associations established under the program and private companies related, as well as interviews with beneficiaries in all the six counties visited. The IFAD Country Program Manager (CPM) also visited Nileke County in northern XUAR on 16-19 July 2012. The mission, being the 5th annual supervision to the program, focused on: a) reviewing the strategic adaptability and effectiveness of the program interventions in line with the anticipated objectives; b) assessing program progress and performance and their scaling up during the second phase and future sustainability; c) reviewing management performance especially in poverty outreach, gender focus, knowledge management and innovation; d) providing implementation support to module implementation, particularly the organic agriculture and credit related modules, M&E and loan administration.

2. MRDP became effective on 29 April 2008, over one year after the signing of loan agreement on 13 February 2007 following the approval by IFAD Executive Board on 14 December 2006. The Program is anticipated to complete on 30 June 2014. An MTR was made to the program in September 2010. With an investment of USD 55 million at appraisal, the Program aims to contribute to the reduction of rural poverty in XUAR in sustainable and gender equitable way, through piloting and scaling up innovative approaches and measures. About 176,000 households in 1,171 poverty villages were anticipated to benefit from the program. The Program is designed with four major components: a) natural resources management; b) agricultural development; c) strategic support to women; and d) microfinance. Participatory village planning and management support aimed to avail the implementation with better effects. The first three years were for piloting and the next three years for scaling up of innovative modules. Out of the 10 counties in 4 prefectures covered by the program, the southern program area (6 counties in 2 prefectures) visited by the mission) has much higher poverty incidence (47%) and larger poor population (753,769) than the same parameters (12.1% and 38,980) in the 4 counties in northern XUAR at program appraisal. About 73% of the program resources were allocated to the southern program area visited by the mission.

3. A final wrap-up chaired by Mr. Chen Lei, Chief Economist of Xinjiang Poverty Alleviation and Development Office (PADO), was held on 20 July 2012 in Urumqi, with presence of official representatives from Regional PMO, DRC, DOF, WF, and RCCU. This aide memoir is signed as joint agreement to the assessment of past performance, suggested actions and follow-ups for further program implementation. The mission wishes to renew its appreciations to the governments, PMOs, DOF/BOFs, IAs and beneficiaries for their cooperation, intellectual contributions and hospitalities extended to the mission.

• Overall Assessment of Project Implementation Progress

4. *Overall program performance is rated satisfactory.* MRDP has substantially expedited its financial and physical progress after the MTR in 2010, attributing largely to the MTR adjustment to some modules and unprecedentedly increased injection of external financing and projects to some program counties from central and peer provincial/municipal governments, following the renewed call by central government in 2010 for advancing social and economic development in XUAR. By May 2012, the program has recorded an accumulative financial achievement of about 73% of the overall budget², and 56% of the phase II (2011-2014) budget. Annual achievement realised at 73% of the AWPB in 2011 and 29% of the 2012 AWPB by May 2012. Overall, by May 2012 the

¹ The mission is composed of Mr. Du XiangGe, Organic Agriculture Expert; Mr. Ren Changqing, Rural Finance Specialist; Mr. Zheng Bo, Agricultural Specialist, Mr. Sun Yinhong, IFAD CPO and mission leader and Ms. Han Lei, IFAD Assistant CPO who joined on 11-18 July 2012 to have covered the loan administration part of the supervision. Mr. Sana F. K. Jatta, IFAD CPM for China, joined the mission from 12 to 21 July 2012 and visited project counties in Kashi and Yili Prefectures, guided the mission's field investigation and attended the wrap-up on 20 July 2012. Ms. Lu Ouyang, intern of IFAD APR also joined the field visit from 12 to 21 July 2012.

² Overall budget here refers to the actual expenditure of Phase I plus the MTR projected budget for Phase II

program has reached 2,232 villages of which 2,009 (90%) are poor ones. About 163,650³ people reportedly received program provided services and support, of which 59.4% were women. As per IFAD's record, by May 2012 the disbursement from loan account was 62% of total allocation. Calculating the most updated loan delivery estimate and available loan resources, the actual progress is estimated at about 79% of the total SDR loan budget by May 2012. With the demonstrated progressive momentum and in view of the budgetary status, the mission anticipates that the program will assure an earlier financial completion, in 2013.

5. Among the components, those slow progress ones (RCC and women association) reported by last supervision have caught up, leading the other modules in financial delivery at 37% and 43% against the 2012 AWPB respectively. This is largely attributed to the increased counterpart financing to women association module in several counties and improved coordination by PMOs with RCCs. The RPMO's determination in advancing progress in 2012 at 90% of financial delivery and timely replenishment of 90% the expenditures has also led to this result. Cumulatively though, the NRM and agriculture modules are still the fast progressing modules, with about 64% and 70% of the phase II budget delivered in average and full delivery in some counties by May 2012, indicating productive activities with good economic return are more favored by implementing agencies and local governments. Overall, the program interventions are yielding evident results in promoting agricultural production, human and institutional capacity improvement and gender equitable development towards poverty reduction.

6. The constraint of matching fund raised during the last mission has been eased to a good extent, with most counties able to plan IFAD investment in complimentary with government resources/projects, which is commendable. However in some cases the IFAD program is overridden by these government projects, diminishing to some extent the strategic focuses e.g. community participatory management, participatory extension and in a few cases poverty outreach.

Agreed action	Responsibility	Agreed date
CPMOs continue to align IFAD financing with government matching funds, while giving emphasis to ensuring relevance of IA, maintaining strategic focuses of modules and poverty outreach not only at planning but as result of implementation	CPMOs, IAs	Immediately and continuous till next AWPB

7. Program M&E and PMO management may therefore be further geared up to proactively enhance monitoring to poverty outreach and adherence to program strategies, work more closely with IAs to ascertain modules results while validate financial delivery. In the next two years, the MRDP may build on the past experiences and further explore effective poverty reduction effects, by consolidating and distilling the experiences to replicate them in government planning and projects, wherever possible.

• Outputs and Outcomes, by Component

8. The Program was designed with 4 components and 14 modules at appraisal, which after the MTR were consolidated to the following four component:

- **Natural Resource Management:** community participatory NRM module (consolidated from previous 6 modules);
- **Agricultural Development Component:** Agriculture development module (consolidated from previous 4 modules); Organic Agriculture and Marketing module;
- **Strategic Support to Women:** Women Association module (from previous 2 modules);
- **Micro Finance:** Support to RCCs module; Village Credit Fund (VCF) module.

9. **Natural Resources Management (NRM):** *The performance of this module is rated satisfactory.* With the MTR consolidated the previously designed six modules to one standard package of activities fall under the NRM context, this component was found more adapted to local context especially in linking with and complimenting other government projects. Significant financial progress has been achieved since then. The RPMO reported financial delivery of 55% against the phase II target in 2011 alone and 31% of the 2012 AWPB by May 2012. Cumulatively, the component has achieved a financial delivery of about 90% of the six year resource allocation in USD. In a number of counties, such as Yiwu and Balikun of Hami and Jiashi of Kashi, the NRM component is fully delivered. Physically, the PMOs reported delivery of refresher training in 2012 for 36 technicians from IAs and technical training for 964 beneficiaries, of which women accounted for 36% and 43% respectively. About 9,265 farmers received support under this component in 2012, with 56% of them being women and 79% reportedly poor. Cumulatively, about

³ Taken from online RIMS.

24,485 beneficiaries participated in NRM related activities in phase II, with 54% being women and 78% poor as recorded by the program M&E.

10. NRM implemented by far include activities both for natural resource management and farm productivity enhancement. Most activities were implemented in tandem with the on-going government projects which also availed matching funds to IFAD loan. NRM implementation in most counties is backed by county and township IAs with extension service and practical technical training. Field observations and discussions indicate that the component is conducive in desertification control and eco-environment improvement of some program counties especially in southern Xinjiang, by increasing vegetation cover and reducing land degradation. Some NRM activities, along with the practices of grazing rotation and grazing ban in the pastoral areas, helped reduce the pressure on communal natural resource base, natural pasture in particular. Promotion of fodder crop production and high efficiency use of crop residues has increased availability of feedstuff to meet the need of herd expansion driven by increasing meat demand and premium market price. Livestock genetic improvement has further improved the performance of animals. The adoption of improved irrigation practices has contributed to water resource conservation and salinity reduction.

11. While attaining environmental and ecological benefits, the component has generated visible economic benefits to beneficiaries by harvesting by-products of afforestation and increased productivity of land as a result of enhanced natural resource management practices. In fact the implementation of this component would not be advanced as fast as it has demonstrated in the last one and half years without giving same priority in pursuing economic returns, sometimes in short term. But this to some extent has diminished the strategic focus of the component in introducing community governance in integrated natural resources management for program villages especially those facing threats of fragile resources base. Concurrently, the mission noted the relative low delivery rate of training, study and exchanges, while on the other hand such demand particularly at the grassroots IA and program beneficiary level was observed strong. Level of participation by community and beneficiaries can be further increased. The mission suggests that PMOs and IAs make extra efforts to intensify the implementation of training and community participation related activities as they are foundation for achieving module objective and essential for the sustainability of the program interventions. Environmental and ecological benefits, both in short and long term, should be given higher priority wherever possible in the context of the local conditions.

12. **Agricultural Development:** *This component is performing satisfactorily.* Cumulatively, as per the PMO report, this component has overall delivered about 93% of the six year IFAD resources allocation by May 2012 if calculated with prevailing exchange rates. Among the two modules, the agricultural development module recorded financial achievement of 69% by May 2012 against the Phase II allocation. Training falls short of delivery among the activities of this module, attained only at 8% of the AWPB in 2012. Physically, 150 staff technicians and 3,033 beneficiaries received training in the first five months of 2012, of which women accounted for 29% and 42% respectively. The program M&E reported 8,173 farmers participated in this module in 2012, with 50% being women and 79.6% being poor.

13. The module suits well the sector priorities by promoting production in three subsectors of crop farming, forestry and livestock, on which program beneficiaries depend for a lion's share of their annual income. The module helped in improving land and labour productivity to fuel farmers' income growth through adopting environment friendly farming practices and crop varieties, tree species and livestock breeds with better performance. Demonstrations of improved production technologies and technical training both for staff and beneficiaries were applied throughout the module implementation. Improvement of land and irrigation facilities, establishment of greenhouses and fruit orchards and adoption of facilities for such as pest control and animal raising etc. were introduced by the project. All these have empowered farmers, particularly women to adopt novelties and improve farming practices to achieve production, efficiency and income increase, as well resilience to natural and economic challenges. The overall performance of the module is rated satisfactory, despite of weak delivery on training.

14. Recognizing the emerging and increasing importance of farmer cooperatives in providing farmers with additional technical services and market access, there is a strong voice from both farmers and local implementing agencies for support to the existing farmer cooperatives in some program counties. The mission endorses this suggestion and therefore proposes that, within the allocated resources of each agricultural development module, up to 40,000 CNY (per cooperative) may be used to support the existing relevant farmer cooperatives. This should be arranged through agreement between the concerned IA (BOF, BOAH etc.) and the farmer cooperative, focusing on technical training to program beneficiaries and facilitating their enrolment as eligible cooperative members and access to markets. Priority will be given to economic active poor farmers in this arrangement.

15. Organic Agriculture and Marketing module is implemented in a relative slow pace. Though financially 71% of the phase II target has been achieved, physically about 24 certifications were undertaken. Mission's field visit indicates that this figure maybe over reported. The appraisal envisaged 10 associations be established for organic production and market access in Phase I but progress lagged. With the MTR, the module is revised to turn its support priority to household-level production, which is confirmed by the mission to be more realistic and adaptable to the current context. Training was one of the activities to achieve the objective. About 7,168 farmers were reported trained in 2011-2012, of which 57% being women. *Therefore the performance of the module is rated moderately satisfactory.*

16. The module is implemented by different IAs in different counties, involving Bureau of Environment, Agriculture and Forestry. Presently MRDP has established several organization modes in organic production and marketing, for example, "company+ association +base" mode for organic rose in Yutian county; "base +government +company" mode for Chinese date in Cele County; "farmers +base +company" mode for organic walnut production in Moyu County and "government +base +farmers" mode in Jiashi County. Each mode seems to work in its own way but impact on household level is not as significant as organic production would have brought to them. Further support to standardize production and organize farmers and their association will help to secure additional benefit from the premium prices.

17. Mission further verifies the unique advantage of program area in organic production. The progress so far, though limited, confirms the right choice of MRDP in adopting organic agriculture to attain its objectives. The limitations in expanding organic production in the program areas are summarized as: a) very few companies for organic processing present in program counties that farmers can partner with. Mission observed only one or two company in each county visited; b) market exploitation either by local government/associations or by companies is limited, product diversification or further processing maybe explored. The proper choice of products to go organic is important in this regard; c) lack of counterpart funds to fully implement the module, presently companies are provided matching funds in most cases. Mission suggests that further emphasis be given to farmer training for production in line with new standards that became effective 1 July 2012, formation and capacity building support to farmer cooperatives/associations to strengthen their capability in market exploration. A few demonstrations in selected counties may be nurtured to set good examples of organic farming and marketing for the MRDP. Nevertheless, by introducing the organic concept and practices among farmers and demonstrate to them the potential of economic benefit through pilots, the program is already making some impact at the project area. Adaptation to organic production especially development of market access requires a longer process that may still need to be pursued after MRDP completion.

18. **Strategic Support to Women:** *This component is performing moderately satisfactorily.* Strategic support to women is achieved through supporting women groups and women associations, with activities mainly related to training, IGA and microcredit support. Financially, a progress of 37% of AWPB 2012 and 51% of phase II budget has been delivered by May 2012. Measured against the six year loan allocation, the loan delivery progress is estimated at 76%. Physical progress tends to be higher than the financial progress since many of the training are co-organized by WFs and government departments or NGOs. Reportedly not all trainings were recorded financially given that some WFs had difficulties to get the proper receipts to claim training expenses, in fact this was reportedly one of the challenges for WF to financially deliver the component. Lack of matching funds was reported in some other counties to deliver the required activities.

19. Program M&E reported that the component outreached to 463 villages with 112 women associations established during 2011-2012, with 35,614 members received training. The associations provided or co-organized IGA related skills on carpet weaving and embroidery with strong ethnic characteristics. They played an irreplaceable role in supporting women members with technical training, material supply, quality standardization and product sale, sometimes involving agricultural techniques with the strong backup from WFs. The collective effect is way significant comparing to the individual operation. Associations also offered surroundings where women can get together to build social connectivity and share information and knowledge and concerns. Many excellent examples of women getting empowered through running or participating in association-organized IGAs were encountered by the mission during the visits. In most counties, WFs are visibly receiving higher recognition from the local leaders as well as the rural women and are becoming more influential.

20. A few of the existing women's associations have been institutionalized as cooperatives registered in local Civil Affair Bureau while many of them stay non registered in the villages. It is obvious that the registered cooperatives have good governance structures and direct link to markets. The women associations should be promoted to member based cooperative organizations rather than companies with manager and employees. Exposure visits to more standard women

associations/cooperatives may be facilitated by WF aiming at strengthening governance of women associations. The cooperatives play an important role in helping the poor women entering the market. Both types of the organizations need to strengthen the capacity building on the management and marketing. The trainings for the members are crucial for them to improve their technical skills.

21. The micro-credit scheme operated by WF has been managed smoothly. The loan disbursed during phase I under women groups have all been retrieved following the suggestion of the IFAD support mission of March 2011. Retrieved seed capitals were pooled to be operated by WF for direct lending and guarantee deposit, taking 20% and 80% of the funds respectively. The deposit was put in the RCCs to leverage 3 to 10 times of loan fund from RCC capitals for women borrowers. This is incorporated into the national women subsidized loan program. During 2011-2012, some 12,813 loans were released to women borrowers, with 5,986 of them being repeated borrowers and about 60% being poor. The county WFs are negotiating with RCCUs for a higher leverage ratio in order to increase the volume of RCC lending to rural women with full interest subsidy by government. However, WF is also aware that national women subsidized loan program is intended more for women entrepreneurs who have sizable income generating activities, while the rural poor women with small scale IGAs are not served under this program. WFs should further negotiate with RCCs to extend loans to the poor small scaled women in the villages under the contract of guarantee fund along with the women subsidized loan scheme.

22. The seed capital for direct lending continued to be managed by WFs for women group lending, focusing on poorer women. The group lending shrunk from last year since the total amount of seed capital reduced to 20% of earlier volume. Sample check to the record kept and the disbursement of the credit activities found that the credit to the women program is following the procedures stipulated in the Operation Manual for Women Credit made available in Mandarin, Uyghur and Kazakh. All the documents and books relating to the credit management were well organized. The support mission March 2011 suggested zero interest for group lending, hence WFs are operating this program on their own expenses. It is rather a charity activity and not sustainable in mission's view. But in view of the prevailing of government subsidized group lending facilitated by WF as mentioned in the above paragraph, there is little choice for the program lending to find its niche. It is to be noted that the direct lending from WF to poor women only involves limited amount of women due to limited amount of funds involved. In consideration that funds are scattered as outstanding loans for the moment and program completion date of June 2014, the mission suggest this mechanism of lending continue as it is. A decision for the future of this lending scheme be determined before project closure.

23. **Micro Finance Component:** *The component is performing moderately satisfactorily.* Of which Support to RCC module performed satisfactorily. The module reported a progress of 43% against the AWBP 2012 and 57% of the phase II budget by May 2012. Cumulatively, module delivery is about 74% against the total loan allocation in USD. The mission found that RCCs in the program counties have been making great efforts to extend loans to the rural households. Overall, RCCs clientele represent about 60% of the total rural households in program areas. The RCC outreach is significant and covered a great number of rural poor giving the average 33% poverty incidence in 10 program counties in 2012. In the villages visited by mission, about 80% of the households reportedly had borrowed from RCCs. Though the loan approval procedures are relatively complex and time consuming, the RCCs have indeed extended significantly their lending portfolio to program counties since 2009. The XUAR RCCU launched a new credit clientele management system in May 2012. With this new system in place, RCCs are better equipped to targeting specific clientele and should be more able to outreach its lending service to low strata of rural population, RCCs are encouraged to do so. The linkage of RCC lending with program support in productive and IGAs can be further enhanced, so that program beneficiaries are better supported for their development.

24. Village Credit Fund (VCF) module *performed moderately satisfactorily.* VCF modules in most counties are incorporated with the government supported poor village mutual fund scheme which is identical to the VCF of MRDP. Under this scheme, each targeted village received CNY 150,000 as seed capital from central government. Partnering with the village mutual fund scheme, the VCF module is availed with matching fund, the sustainability and community self-management merit and mature operational procedure. The MRDP VCF module further strengthened the community governed revolving fund.

25. Overall, the progress of VCF module achieved of 41% of phase II budget and only 16% of the 2012 financial target. This is due to stagnation in some counties (Shule and Moyu). Most counties only started in less than 5 villages while the appraisal anticipated 14 modules in each county. It appears that the county PMOs being the IA were reluctant to implement VCF module because management skill in the village level is considered weak. Another reason is that RCCs have already

extended its lending coverage to about 80% of the households in the village with larger loan size in recent years.

Agreed action	Responsibility	Agreed date
NRM Module: In planning NRM modules for implementation for the 2013 AWPB, PMOs should advise relevant IAs to include modules for sustainable use of NRM through community participation while maintaining some economic incentives.	CPMOs, IAs	31 October 2012
PMOs and IAs make extra efforts to intensify the implementation of training and community participation related activities in both NRM and Agriculture development modules.	CPMOs, IAs	Immediate and continuous
Agricultural Module: Existing farmer organizations associated with both agricultural and organic modules be supported to avail services to program beneficiaries in production and marketing. (Refer to details in technical papers)	CPMOs, IAs.	Immediate and continuous
Organic Module: RPMO in cooperation with selected CPMOs and related IAs to nurture a few exemplary organic modes from existing ones, incorporating marketing and services access and standardized production with adequate farmer participation and equal benefiting.	RPMO, concerned CPMOs and IAs	Immediate and continuous
Women Support Module: CPMOs coordination with county PLG to avail matching funds for WF to undertake necessary training activities, including their support to the microcredit scheme for poor rural women.	CPMO, WFs	Immediate and continuous
Business oriented Women Associations should get registered, exchange visits be facilitated by WF aiming at improve their governance and market imaging. Association management, marketing and member skill training should continue to sustain its performance.	WF and concerned Women associations	Immediate and continuous
WFs negotiate with RCCs to extend loans to the poor small scaled women in the villages under the contract of guarantee fund along with the women subsidized loan scheme. Such result should be reported to CPMO and ultimately RPMO. Agreement with RCC may be amended to reflect poverty outreach.	WFs, CPMOs	By 31 October 2012
RCC Module: Training to RCCs staffs and operational support to RCCs should focus on the capacity building in serving the poor. RCC's AWPB should clearly specify actions for this aim.	RCCs, CPMO	Immediate and by 31 October 2012
RCCs monitor their lending to poor HH in program villages and gradually increase lending outreach to this category of clientele. Results to be presented to the 2013 supervision mission.	RCCs, CPMO	Immediate and continuous
VCF Module: Counties lagging the implementation of VCF should start all VCF intended or report to RPMO for reasons of not conducting them and a decision by RPMO. Training and exposure/exchange visits for PMO staff and VCF management should be considered to improve confidence and capacity for VCF management.	CPMOs, RPMO	Immediately and by 31 December 2012

• Project Implementation Performance

26. **Project management performance.** *The performance of the project management is rated moderately satisfactory.* The institutional structure of PMO system remains stable but effective staffing devoted to day to day program management remains slim in many counties. The staff in RPMO are also somewhat over-stretched to various other tasks. The key functions with all PMOs are there but usually centered on three key actors, e.g. executive director, planning and M&E officer and financial officer. Some rotation of staff happened in a few counties causing management deficiency mostly at handing over stage spanning a few months. Implementing agencies of related modules maintain their rigor and designated focal persons in charge of program coordination and implementation. The WF is especially active in organizing women associating, managing credit lending and women training, though in a few counties still plagued by delayed availability of matching funds for training activities.

27. In addition to annual planning and disbursement management, during 2012 major efforts are being made by RPMOs to expedite the delivery of the program both in financial and physical terms, aiming at 90% fulfillment of AWPB and 90% of replenishment from IFAD. Supervisions to lower level management and implementation were maintained by most PMOs, but can be further intensified. The mission was given impression that some CPMOs give good emphasis to planning but less to implementation quality and results of modules (Moyu, Yutian). Attention was diverted largely to soothe process and procedural implementation constraints. In this regard, pursuing results of module implementation, exploring and distilling program experiences for replication should also be given equal emphasis during the remaining life of the program by all PMOs and IAs. Nevertheless, the awareness of program rational and strategies with both PMOs and related IAs staff remain improving as the program implementation expands and moves ahead. Situation varied among counties, there are also relatively better performed PMOs/IAs.

28. The mission also took note of the efforts made by RPMO in staff training, intensifying reporting frequency and standardizing reporting format, exercising supervisory role of RPMO and investing thoughts and actions in knowledge management. The PLGs continue to function well in its supervisory and coordinating role, approving the AWPB and in monitoring project progress carried out, one way or the other. Some PLG leaders were well aware of IFAD program strategy and supportive to implementation (Cele, Jiashi).

29. **Monitoring and Evaluation.** *The performance of the M&E is rated moderately satisfactory.* The M&E system of MRDP remains stable with designated staff at RPMO, CPMO and IAs, standard template of monitoring indicators and procedures. Baseline and mid-term surveys were undertaken timely. Scattered monitoring exercises were also undertaken by most IAs to module effects, making economic, social and environment accounts of program achievements as presented to the mission, which is to be commended. RIMS and M&E reports were submitted regularly by MRDP to IFAD. Internally the program has intensified financial and physical reporting to monthly frequency, this is largely to monitor financial progress to serve the early delivery goal.

30. The program was designed with 2 phases of budgetary allocation. With the MTR in 2010, the program has been consolidated from 14 modules to 6 modules. Program logframe was therefore revised to reflect the changes, similarly a phase II budget for the next 3.5 years (2011-2014) was also established through a new set of cost tables. This has caused a revision to the M&E indicator system in order to serve the purpose of adequate monitoring the 3 levels of program deliverables. The present system is solid in monitoring financial progress, but has some inadequacies in capturing the required information reflecting all logframe results/RIMS results, program outreach to poor households/villages and program impact to beneficiary households in alleviating poverty. Some harmonization work of the program M&E indicators with IFAD online RIMS is also needed to improve consistency of indicators used. Eventually the results of phase I (2008-2010) should be consolidated with those of Phase II when the program is to report its overall achievements. Surveys for 2nd level indicators should also be further introduced/improved to gather necessary information, foreseen in late 2013 or early 2014.

31. The M&E generated financial information has been adequately used to inform management decisions, but the physical achievements were less attractive, partly due to the sub-level of accuracy of information. The CPMO M&E Officers should exercise verification and validation of information provided by IAs, meanwhile align among themselves understanding of certain indicators. The discrepancies in some of the data presented to the mission indicate the lack of contemplation in this exercise.

32. Overall the management should, instead of passively meeting IFAD requirements, act more proactively to deploy its M&E system to serve primarily its management purpose and potentially also the program purpose of replicating and upscaling successful experiences, which will be further facilitated through knowledge management. In this regard, the mission suggests that RPMO consider seeking external support (including IFAD) if necessary in further improving its M&E system.

33. **Gender focus.** *MRDP continues perform satisfactorily in its gender focus.* With a special component designed for this purpose and promoting gender equitable development in all modules, this particular strategic focus of MRDP is now familiar to all PMOs and IAs and has been gradually influencing local leaders and even participating households. Cases of women empowered through managing women associations and conducting IGAs are often reported. There are also cases of extra external financing leveraged to add on to program efforts to provide skill and IGA support to ethnic minority women in some counties. About 29,360 beneficiaries, or 63% of the program beneficiaries of the 2012 program activities were recorded as women, far exceeding the program target of 50%. Staff training on program management (PMO) and implementation (IAs) covered 39% of women during 2012. Women Federation serving as equal partner of PLG and deputy

director of PMO, is playing an important role in program implementation, especially in providing skill and credit access to poor women.

34. **Poverty focus.** *Program performance in poverty focus is rated satisfactory.* MRDP is implemented in areas with high percentage of poverty incidence. The average poverty incidence in the program counties was 33% in 2012 applying the latest poverty threshold, but it can be as high as over 40% in the six counties in southern Xinjiang. During 2011, the program was implemented in 299 villages of which 256 (86%) were poor, while out of the 335 villages reached in 2012 thus far, 292 (87%) are poor. To achieve economy of scale, some projects in the NRM and agricultural development components are implemented in several neighboring villages thus may involve some non-poor villages. Cumulatively, the PMO reported program coverage of 2,009 poor village (90%) out of the total of 2,232 village, by May 2012. Ethnic minorities take a high percentage among the population in the program counties, as high as over 98% in all of the southern counties. This percentage is almost 100% in program villages. Therefore the program is naturally achieving excellent coverage to ethnic minorities.

35. Though the village level poverty focus has been satisfactory, household level poverty focus has some room to improve. Program M&E suggested average 83% (76,884/96,488) of poverty HH focus in 2011 and 79% (35,774/45,327)⁴ in 2012. The mission's field observations suggest that in some cases, some capable and better-off households tend to be targeted in program supported activities. This was caused partly by aligning with other financing sources and need to involve demonstrative farmers. But partly was also due to lack of persistence in applying poverty focus of program. Having capable but usually better off farmers serving demonstrative and inspiring role is not against the inclusive targeting approach, but the extent of such should be carefully monitored for the sake of equality and program effectiveness in poverty reduction. As explained in the para 29, poverty outreach results of implementation should be closely monitored.

36. **Effectiveness of targeting approach.** *The performance of targeting effectiveness is rated satisfactory.* MRDP, coordinated by the PADO being the PMO, takes advantage of the strength of the PADO in geographic targeting of poor counties/townships/villages and also households targeting in those poor villages. The PADO in each county maintains an archive of all poor households in the poor villages, but is yet to be fully utilised to monitor if a beneficiary HH is poor or not. Program implementation mostly given focus to poverty HH. However, when planning the specific modules, it is not always the PADO proposes the location or HH to be covered in some provinces.

37. Out of the 335 villages covered by in 2012, 43 are non-poor villages, though all seem to happen in Northern project areas (Yili and Hami). Having capable but usually better off farmer HH serving demonstrative and inspiring role is not against the inclusive targeting approach, but over focusing demonstrating HH in some cases reduced targeting effectiveness. There is some inadequacy in program M&E in monitoring the outreach results and impact to livelihood changes. Subsequently the mission is unable to present convincing cumulative global outreach information by poor and by women at time of wrap-up, as double counting could not be avoided.

38. Targeting of ethnic minorities is however well performed in this program. In fact, all the 6 counties in southern XUAR have ethnic minorities in its population as high as 98% in average, almost 100% in rural areas.

39. However, the mission is concerned that , in order to align with ongoing government projects, sometimes targeting at village or HH level has yielded to other priorities such as industrial zoning, scale of economy and sector development. E.g. women association micro-credit is not achieving good targeting to poorer women. RCC targeting to poor borrowers is not monitored.

40. **Knowledge management.** *Knowledge management is rated satisfactory in MRDP.* As the program moves into 5th year of implementation, attention is gradually being paid by program management to the agenda of KM for the program, recognizing the soon conclusion of the program and need to document, distill and share program experiences. Some efforts were made by both RPMO and CPMOs in documenting success stories as result of program intervention, though focus can further be given to explore the learning on why and how the success was possible and what can be learnt by others, so as to make these stories learnable. Communication among PMOs was reportedly intense for management purpose but also information sharing, the mission witnessed good buy-in of IFAD strategies among the visited counties, such as focuses on poverty, women, sustainability. Several training and supervisory exercises were undertaken to improve awareness and capacity in KM. Most notable is an exercise in June 2012 to develop an action plan and strategy for KM in MRDP, likely due in a few months. The mission witnessed some positive signs in terms of commitment in knowledge management, mostly of PMOs less of IAs, to summarize and disseminate program experiences. A documentary video is being planned in this regard.

⁴ HH coverage data may involve some double counting due to overlapping of different modules in some same villages.

41. Current knowledge management still largely based on sporadic captures of success stories by the PMOs on beneficiaries' improved livelihoods. Staff and budgetary investment is limited. Learning from outside was given less attention and there is strong desire among the PMOs in this regard. Program M&E has not been explored to serve the KM purpose in supporting the substance of the program innovations and good practices. On the other hand, MRDP offers good potential for exploration of learning in its implementation, as well outward learning to sustain program results.

42. **Partnerships.** MRDP project is well partnered with various government projects relating to poverty reduction, sector development and in a few cases aid projects from peer provinces, with those projects providing matching funds to the IFAD loan. MRDP also fits well within the overall government planning for poverty reduction. In Shufu County, MRDP also benefited from the UNDP supported Technical Envoy (TE) program with TE continues to support IFAD beneficiaries. Counties interested in promoting TE under the agricultural development module may organize learning from Shufu. Institutionally, PADO being the coordinating agency for poverty reduction, it is supervised by the leading group for poverty reduction at each level and maintains close partnership with other line government agencies. The active role of WF in MRDP and its close partnership with PADO demonstrated good results and testified IFAD's gender strategy of empowering women's organization. With MRDP's experience of having PADO being the coordinating agency helps enriched IFAD's partnership learning in China. Among the various government agencies, PADO can be considered one of the most suitable coordinating agencies for IFAD projects in China.

Agreed action	Responsibility	Agreed date
CPMOs should intensify supervision to IAs in delivering module results following the intended strategic focuses and poverty outreach. This would include PMOs' involvement in the delivery/completion check of activities. Claims for reimbursement from IAs should include information demonstrating results attained following the key indicators adopted at planning.	CPMOs, IAs	Immediate and continuous
RPMO undertaken an exercise involving all CPMOs to revisit adequacy its M&E indicators/tools and supplement/unify interpretation of certain indicators and measurement method, aiming at improving accuracy, serving management purpose for monitoring but also evaluation of program progress and impact, make it conducive for distilling experiences and replication/upscaling.	RPMO, CPMOs	By 30 September 2012
RPMO continue to elaborate and deliver the planned KM strategy and action plan and implement it, guidance be provided to CPMOs for similar actions at county level.	RPMO, CPMO, IAs	By 30 October 2012

• Fiduciary Aspects

43. **Financial management.** *Performance of Financial Management (FM) in MRDP is rated moderately satisfactory (4).* There was no evident change in financial management since last supervision mission. Program FM is in line with the Loan Agreement with financial reporting and fund flow lines operated as envisaged at appraisal. Roles and responsibilities were clearly understood among the stakeholders, namely DOF/BOFs, provincial PMO, and program prefectures and counties PMOs, but some delays happened in the process. Special account and program accounts with BOFs were audited without major issues other than retention of funds in two cases. The micro-credit funds were also found properly managed financially with satisfactory documentation. The procedures for review and set-up of internal control can be further tightened, with different duties separated in some counties and staff made more accountable. Some delays of reimbursements and retentions of funds (by BOF) did happen in some occasions and counties (Moyu, Jiashi, Shufu, Shule) which should be rectified in future. Rotation of financial staff happened in a few counties caused some handicap in FM, training is needed to catch up. Expenses are mostly claimed through SOEs submitted within six months after expenditure. In very few cases the claims took longer time (e.g. WF in Moyu).

44. CPMO and BOF at the county level are the most critical agencies reviewing and approving reimbursement requests, after which such requests were passed on, without attaching receipts and contracts, through the ladder up to DOF for reimbursement. Therefore the review by CBOF and CPMO is critical to ensure adequacy and satisfaction of supporting documents, especially the later given its day-to-day oversight of the project. Spot checks suggest that some CPMOs should exercise more stringent scrutiny in approving reimbursement requests, paying attention to relevance of expenditure to program, adequacy of supporting document to justify compliance of expenditures to requirement. In this regard, a standard checklist may be developed to guide the

review process of disbursement requests at county level. Standard form will also be used for IAs to submit request for reimbursement, adding sentences confirming eligibility of expenses.

45. **Disbursement.** *The performance of program disbursement is rated satisfactory (5).* Since the last supervision mission, the program has made four disbursements from the special account, taking less than one month for processing by DOF but with one exception case of over two months. Fund transfer below regional level reportedly takes less time, though in two cases retention of funds by BOF was identified by Auditors but was later rectified. Since Sept 2012, three WAs were submitted to IFAD for replenishment, which took average 57 days (including holidays) from date of RPMO submission to date of fund receipt, with the WA10 in amount of USD 1.55 million as an exceptional case still pending after four months, due to disagreement on financing categories to be charged. It was discussed during the mission for resolution pending firm response from RPMO.

46. By 20 July 2012, the Program Special Account has been credited with a cumulative total of USD 16,079,867.64, including the initial deposit of USD 2.7 million, equivalent to SDR 10,344,610.26, representing 62% of the total loan allocation. Program Phase I (2008-2010) delivered SDR 7,268,488.44, representing 43.5% of the total allocation. This is more or less in line with the anticipated disbursement schedule at appraisal (51% for phase I). The remaining amount of SDR 9,431,551.6 is the actual budget available for phase II. While as per the progress report of RPMO, the cumulative delivery of the program by May 2012 is calculated at 79% of the total SDR loan allocation. This leaves some 17% of the loan amount to be withdrawn to fully reimburse the incurred expenses so far. The RPMO should increase its withdrawal and disbursement frequency.

47. The remaining balance of the Special Account was USD 176,073.45 on 15 July 2012. WA11 was submitted by RPMO to DOF on 24 May 2012 in the amount equivalent to USD 976,621.27 which was already disbursed by DOF and will be reaching IFAD soon. In addition, another request in USD 136,438.93 is scheduled to be disbursed by DOF. With this, the balance with the special account will be minimal (USD39,634.52).

48. **Counterpart funds.** *The performance of availing counterpart funds is rated satisfactory (5).* Matching funds to the IFAD investment are mostly sourced from other complimentary government projects and activities. The renewed comprehension to flexibilities in the IFAD component/module design enthused by the MTR adjustment soothed significantly the matching of IFAD investment with government projects/activities. Subsequently the constraints of counterpart matching fund raised during the last mission has been eased to a good extent, with most counties in a better situation to plan the MRDP activities in tandem with domestic financed projects including those from peer provinces/municipalities that increased to pour in since 2010. On the other hand though, a few counties are still struggling to timely avail matching funds to some of the activities, especially training in a few modules including the Women Association module.

49. Nevertheless, it is estimated that cumulatively by May 2012 about RMB 160 million has been invested by government to match the IFAD investment in line with the agreed financing ratio. During the Phase II period from January 2011 to May 2012, government financing shared 62% of the total investment, with IFAD shouldering the remaining 38%. Domestic finance delivery by far exceeds loan delivery due to the need of local government to advance funds before reimbursement can be made from IFAD through WA. In absolute term, counterpart funds delivery is estimated to below appraisal target for this stage, due to appreciation of RMB Yuan.

50. **Compliance with loan covenants.** Nearly all loan covenants are compiled or being complied with. No major issues are found for this component. Therefore the performance in this respect is rated satisfactory.

51. **Procurement.** *Procurement is rated satisfactory.* The RPMO did not envisage procurement of goods/services over USD 50,000 in 2012. Procurement mainly happened in the six modules fall under financing category IV. The mission assisted by the IFAD ACPO sample reviewed in 5 counties disbursement records, evidence of payment and supporting documents including contracts, agreements, bidding related documents. Procurements were mainly done by PMOs and IAs, sometime through local government procurement office. Procurements are mostly found in compliance with National Public Procurement Law and satisfy IFAD requirement. Particularly, the bidding documents for civil works are properly prepared and maintained by county PMO. Procurements of goods for project were mostly done locally, e.g. materials, animals and small office equipment. In a few cases, supporting documents for some procurement expenses are to be improved to adequately justify expenses relevance to module objectives.

52. **Audit.** *Audit performance is rated moderately satisfactory.* The RPMO submitted the 2011 audit report on time, conducted by Audit Office of XUAR. The auditor provided the separate opinions on SOEs and the Special Account (SA) to ascertain the incurred expenditures. The overall auditor's opinion is unqualified. However, the follow up on the prior year's audit report recommendations is still missing in 2011 audit report which is inconsistent with IFAD requirement

specified in Para 31 of Component VIII in IFAD Operational Procedures for Project and Program Audits (Para 27 in old version). The mission therefore recommend RPMO follows up with Audit Office and the deficiencies be rectified in 2012 audit report. RPMO response to auditors' recommendation is yet to be delivered.

Agreed action	Responsibility	Agreed date
Disbursement processing and fund flow be expedited to observe the internal threshold of 5 days processing by each involved agency.	DOF, BOF, PMOs	Immediate and continuous
RPMO develops a standard checklist to guide the review process of disbursement requests at county level, with IFAD ICO help if required. Standard form be used to include declaration confirming eligibility of expenses	RPMO	By 31 August 2012
CPMO and BOF at county level exercise stringent scrutiny of disbursement claims to ensure eligibility of expenses and compliance to procedures. RPMO should sample check supporting documents when process disbursement requests. (one sample each county for each WA)	CPMOs, BOF, RPMO	From 1 August 2012 and continuous
RPMO together with CPMOs conduct calculation/verification of loan funds available for further spending after 31 May 2012, for whole program and each county.	RPMO, CPMOs	By 31 August 2012
Follow up and resolutions on issues raised in 2011 audit report and send a copy of such evidence to IFAD.	RPMO	15 August 2012

• Sustainability

53. **Institutional sustainability.** *Performance is rated satisfactory (5).* All PMOs and implementing agencies are government institutions tasked to promote development in the areas concerned. The PADO, being the PMO for MRDP, undertakes the overall task of poverty alleviation planning, implementation and monitoring. In the wake of new round of government support to XUAR, these institutions will be further enhanced to deliver service and support to the poor rural population. MRDP is well embedded in overall government planning with its objectives well aligned with government priorities, there is highly likelihood that program introduced values and approaches will be continued and replicated, one way or the other.

54. **Social sustainability (Empowerment).** *The performance is rated moderately satisfactory (4).* MRDP has incorporated training in all its modules and management component, intensified especially after the MTR for both beneficiaries and staff. Skill development and access to rural financial services for rural women was given particular emphasis through the implementation of the module strategic support to women. The module also greatly supported women associations, 170 women associations were established in during 2011-2012 with 25,877 members who regularly gather for skill training, microcredit business and undertaking income generating activities. Farmer organizations relating to NRM and agriculture modules were less supported by the program, self-governance of community in NRM gained little focus. Establishment of village credit fund in poor villages for self-managed credit lending also progressed moderately with some counties (Moyu, Shule) only making small steps.

55. **Economic and financial sustainability.** *Performance is rated satisfactory (5).* The Program adopted interventions mostly to promote locally advantaged forestry products, livestock and poultry and protected agriculture production. Most of them are significantly contributing economic better off to the beneficiaries. Some activities can have lasting effects in stable economic return such as production of nuts, grapes, jujube and greenhouses. Establishment of VCF and women association sustains farmer's access to micro-credit and skills, as well as market access. Most modules visited by the mission reported good economic effects. Organic agriculture started but is yet to fully demonstrate its potential in sustained economic returns for farmers. Overall the economic and financial sustainability is regarded very positive in MRDP.

56. **Technical sustainability.** *Performance is rated satisfactorily (5).* MRDP put good emphasis on technical introduction and improvement, mainly in its NRM and agricultural components, as means to increase productivity and quality leading to profitability. Livestock genetic improvement, adoption of improved irrigation practices and facilities, establishment of greenhouses and fruit orchards etc. were introduced by the project. Demonstrations of improved production technologies and technical training both for staff and beneficiaries were applied throughout the module implementation. It is worth noting that support from the national and regional government to technical envoys has increased significantly in the past year and the technical envoys continued to provide practical technical support to beneficiaries of most program counties. Most technical

interventions suits well the local ecological and productive environment and bears good economic potential. The introduction of sustainable financial service through RCC, VCF and women association lending is considered methodologically sustainable in the given context.

57. **Environmental sustainability.** *Performance is rated moderately satisfactory (5).* Through introducing community participatory natural resource management and by promoting organic farming, this program is having a positive impact on the environment, especially in southern program areas. Interventions aim to stabilize vegetation coverage both in and at the frontier of oasis helps to defend the encroaching of desert. Adaptation techniques such as salinity reduction, grazing rotation, efficiency improvement of crop residue as feedstuff etc. helps to nurture the natural resource base. The mission did not witness evidence of negative impact from the program interventions throughout the visits.

58. **Exit strategy.** *Exit performance of MRDP is rated satisfactorily (5).* From the implementation institution setting up to program strategy and focuses, MRDP is well in line with government endeavour for poverty reduction in XUAR. Government commitment to economic development and poverty reduction is even stronger than at appraisal and will continue given the strategic and political importance of XUAR. Increased external funding is witnessed in some of the southern counties, which can be as high as 5~6 times of the county annual fiscal income though only part of them is possible to compliment with the MRDP. Services are largely government led given its paramount role in XUAR, but associations and private sectors are also niche in gradually with increased beneficiary ownership. Commitment from PADO in distilling and replicating MRDP experiences for poverty alleviation by the government and other donor agencies should be the best exit strategy of the Program.

• Impact

59. MRDP has been implemented in the overall background of fast rural economic development in the program areas. Farmers' income during the last five years maintained annual increase of at least 15% in all the four prefectures. A mid-term survey was conducted in 2010 and results were analyzed by the 2011 supervision mission against the program RIMS and baseline survey in 2007. The comparison indicated improvement in household asset, wealth and food security. Following assessment is additional to the above based on information and observations gained during the mission.

60. **Physical and financial assets.** *Performance in building assets for beneficiaries is rated satisfactory.* Program interventions are conducive in generating physical and financial assets of beneficiaries. With program support, farmers have increased their stock/performance of animals, acreage/performance of fruit trees, tools for conducting IGA, improved land and household assets. Access to financial services has much improved with RCC expanding clientele and program provided credit. Skill training has enabled farmers' better ability to generate financial resources required for their livelihood improvement. Visible improvements are attained at household level visited by the mission.

61. **Food security.** Program interventions are having positive impact on food availability and accessibility by improving productivity and profitability of livestock, fruits and forestry products and by increasing income through IGAs. Numerous cases were presented to and observed by the mission in improved output of crops, fruit trees and animal/poultry raising. The program areas visited, though limited in rainfall, enjoyed irrigated agriculture with snow-melted water from southern mountains and food production maintains stability. Northern program areas also enjoyed improved productivity through development of specialized and protected agriculture. *Performance of program in this respect is satisfactory.*

62. **Increase in incomes.** Program interventions are having positive impact to income increase of beneficiaries as observed by the mission from its visit to modules implemented in all the components in each of the six southern counties. RPMO may consider to capture/consolidate such impact information in its M&E through farmer HH tracing survey to compare before and after project changes. *Performance is rated satisfactory in achieving development objectives.*

63. **Policy impact.** It was reported that a number of MRDP methodologies and approaches were adopted by government at various levels. In several counties, the local leadership showed program impressed commitment to IFAD focuses on training and capacity building, gender mainstreaming, community participation, results based approach and sustainability. Indications of IFAD program contributing to the formulation of local Poverty Reduction and sector strategy and planning was also made to the mission during the visit. The potential of MRDP to policy impact can be further explored with RPMO enhancing its knowledge management efforts.

64. **Other impacts.** Joining government's efforts to promote social and rural development in the remote and border areas with high ethnic minority population, IFAD through MRDP is to some

degree contributing to the social stability of ethnic minority areas on the borders, which is paramount for sustainable development in the Chinese view.

• Conclusion

65. Entering phase II since 2011 and taking experience of Phase I in rigidly understanding module design, MRDP significantly expedited its implementation progress bringing overall progress to 79% of the loan allocation at program life of 66% (49 months) by May 2012. Program is increasingly demonstrating its effectiveness in promoting the utilization of natural resources and agricultural productivity in the ten program counties, leading to visible economic impact to participating farmers mostly ethnic minorities. This attributes also to the introduction and adoption of improved technologies, breeds and species, extension services and program support for inputs delivered jointly with other government projects and resources increasingly injected in. MRDP is strategically well designed addressing key focuses leading to sustainable poverty reduction.

66. During the implementation, role of government and related technical agencies has been particularly important in the ethnic minority areas, in guiding village development planning, delivering materials and services, sometimes facilitating market access, and in securing matching funds and projects. In this process, there is some degree of dilution to strategic focuses such as community participation and governance in natural resources management, targeting and sustainability concerns of some interventions. Having government projects/resources matching IFAD loan is indispensable but efforts are needed to align priorities. It is though believed government-led development is destined and will continue for Xinjiang, for long-term benefit the empowerment and higher degree of participation of communities and beneficiaries can add value and will be inevitable to make development sustainable.

67. Overall implementation performance is acceptable thanks to the commitment of PMOs and IAs. But some challenges and inadequacies in module implementation prevail, such as inadequate focus to community governed NRM management, immature farmer organization and inadequate qualitative progress in promoting organic agriculture, limits in sustainability and pro-poor dynamism of micro-credit schemes under women association module, as well the later in RCC module. VCF implementation is over prudent and require further rigor in an increasing competing rural financial surrounding from RCC dominance and interest subsidized women lending.

68. Program management commitment is generally strong from the leadership but staffing and time invested is not adequate. Choice of PADO as PMO for program coordination is a positive learning for IFAD, worthy future replication. More emphasis is called for in program management, particularly in deciphering program/module strategies to guide implementation, strengthening M&E for management purpose during implementation and for upscaling/replicating program successes. In some counties the financial management can be further strengthened to ensure efficiency and value of money serving program objectives.

69. The mission is optimistic that MRDP is moving towards achieving its immediate objectives. With further efforts invested in deepening program strategic focuses, experience distilling and dissemination, the program will very likely achieve a broader impact by replicating and scaling up its best practices.

70. With signatures below, IFAD and the Government of XUAR endorse the findings and recommendations of the supervision mission.

Signed

Sun Yinong
IFAD Country Program Officer
China

Date: 20 July 2012

Signed

Zhao Guoming
Director General
Poverty Alleviation and Development Office, XUAR

Date: 20 July 2012

Appendices

- Appendix 1** Summary of project status and ratings
- Appendix 2** Progress against previous mission recommendations
- Appendix 3** Financial: Actual financial performance by financier; Disbursements by category and by component
- Appendix 4** Compliance with financing agreement covenants: Status of implementation
- Appendix 5** Physical progress measured against AWP&B and appraisal targets
- Appendix 6** RIMS table
- Appendix 7** Learning and innovation
- Appendix 8** Logical Framework
- Appendix 9** Supervision mission schedule and persons met
- Appendix 10** Summary of implementation support provided by IFAD
- Appendix 11** Audit Log

Appendix 1: Summary of Project Status and Ratings

A. Basic Facts

Country	China	Project ID	1323	Loan/Grant No.	709-CN
Project	Modular Rural Development Program, XUAR			Supp. Loan/Grant	
Date of Update:	20 July 2012	Last Supervision	Oct 2011	Financing terms	HC
Supervising Inst.	IFAD	No. of Supervisions	5		
				USD million	Disb.rate %
Approval	14-Dec-06	Quality at entry rating		Total costs	55
Agreement	13-Feb-07	Effectiveness lag		IFAD loan	25
Effectiveness	29-Apr-08	Problem project		DSF grant	
MTR	Aug/Sept 10			IFAD grant	
Current completion	30-June-14	Last Amendment		Domestic	35
Current closing	31-Dec-14	Last Audit	June 2012	Cofinancing	
No. of extensions	0			Cofinanciers	

B. Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	4	4
2. Acceptable disbursement rate	4	5	2. Performance of M&E	3	4
3. Counterpart funds	4	5	3. Coherence between AWPB & implementation	4	4
4. Compliance with loan covenants	4	5	4. Gender focus	5	5
5. Compliance with procurement	4	5	5. Poverty focus	5	5
6. Quality and timeliness of audits	5	4	6. Effectiveness of targeting approach	4	5
			7. Innovation and learning	5	5

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Natural Resources Management	5	5	1. Institution building (organizations, etc.)	4	5
2. Agricultural Development	5	5	2. Empowerment	5	4
3. Strategic Support to Women	4	4	3. Quality of beneficiary participation	4	4
4. Micro Finance (RCC & VCF)	4	4	4. Responsiveness of service providers	4	5
			5. Exit strategy (readiness and quality)	5	5
			6. Potential for scaling up and replication	5	5

C. Overall Assessment and Risk Profile

	Last	Current
C 1 Physical/financial assets	5	5
C 2 Food Security	5	5
C 3 Overall implementation progress (Sections B1 and B2)	4	5
Rationale for implementation progress rating: Financial and physical progress was evident during the past year in all modules.		
C 4 Likelihood of achieving the development objectives (section B 3 and B4)	4	5

Rationale for development objectives rating:

Program interventions were effective yielding positive impact on target groups.

C 5 Risks *Short description of major risks for each section and their impact on achievement of development objectives and sustainability*

Fiduciary aspects	No major risks
Project implementation progress	No major risks. M&E to improve accuracy and missing some outcome information
Outputs and outcomes	Community participation and targeting to the poorer strata of population in some modules is less strong
Sustainability	Improve KM to distill replicable experiences

D. Follow-up Action

Issue/problem	Recommended Action	Status/Timing
Overall progress	When aligning IFAD financing with government matching funds, CPMOs ensure relevance of IA, maintain strategic focus of modules and poverty outreach not only at planning but also as result of implementation	Immediate and continuous
Outputs and outcome:	For 2013 AWPB, PMOs advise relevant IAs to include modules for sustainable use of NRM through community participation while maintaining some economic incentives.	31 October 2012
NRM Module	Intensify the implementation of training and community participation related activities in both NRM and Agriculture development modules.	Immediate and continuous
Agricultural Module	Existing farmer organizations associated with both agricultural and organic modules be supported to avail services to program beneficiaries in production and marketing.	Immediate and continuous
Organic Module	Nurture a few exemplary organic modes from existing ones, incorporating marketing and services access and standardized production with adequate farmer participation and equal benefiting.	Immediate and continuous
Women Support Module	Avail matching funds for WF to undertake necessary training activities, including their support to the microcredit scheme for poor rural women.	Immediate and continuous
	Register Women Associations, conduct exchange visits, provide training on management, marketing and skill to sustain performance.	Immediate and continuous
	Extend loans to the poor small scaled women in the villages under the contract of guarantee fund. Report to CPMO on results. Amend agreement with RCC to reflect poverty outreach.	By 31 October 2012
RCC Module:	Focus staff training on the capacity building in serving the poor. RCC's AWPB should specify actions for this aim.	Immediate and by 31 October 2012
	RCCs monitor lending to poor HH and gradually increase lending to this category of clientele. Present results to the 2013 supervision mission.	Immediate and continuous
VCF Module	Start all VCF intended or report to RPMO for reasons of not conducting them for a decision by RPMO. Organize training and exposure visits for PMO staff and VCF management to improve confidence and capacity	Immediate and by 31 December 2012
Implementation Performance	Supervise IAs in delivering module results following the intended strategic focuses and poverty outreach.	Immediate and continuous
	Revisit adequacy of M&E indicators/tools and supplement/unify interpretation of certain indicators and measurement method, improve accuracy, facilitate management and for replication/upscaling	By 30 September 2012
	Deliver the planned KM strategy and action plan and implement it, guide CPMOs for similar actions at county level	By 30 October 2012
Fiduciary Aspects	Expedite disbursement processing and fund flow	Immediate and

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

		continuous
	Develop a standard checklist to guide the review process of disbursement requests at county level	By 31 August 2012
	Exercise stringent scrutiny of and sample check disbursement claims to ensure eligibility of expenses and compliance to procedures	From 1 August 2012 and continuous
	Calculate loan funds available for whole program and each county	By 31 August 2012
	Follow up issues raised in 2011 audit report and evidence such to IFAD	15 August 2012

Appendix 2: Progress Against Previous Mission (2011) Recommendations

Action Area	Action Agreed	Agreed Date for action to be taken	Progress in completion of action
Implementation progress	Communicate the matching fund amount of the next AWPB to the county governments once the new AWPB is drafted and incorporate the due amounts into the next government budget.	By end of Sept. of each fiscal year	Completed. Each county and IA is aware of counterpart financing requirement for the prevailing AWPB.
	Allocate and make available the matching resources during the first quarter of the year	Before end of first quarter of each fiscal year.	Partly completed. Some modules still suffer from delayed availability or insufficiency of matching funds.
	Speed up implementation progress, especially under the modules of strategic support to women association, support to RCC and organic farming	Immediately to end of 2011	Actions were taken by RPMO to expedite program progress, positive results demonstrated.
Outputs & outcomes	Capture the successful practices and technical innovations originated from the implementation of the NRM and agriculture development modules for further scaling-up in programme and non-programme counties.	Starting from Sept. 11 and continuously	Some actions taken at lower IA and county level to capture experience, especially with instructions given by RPMO. Actions still needed for experience consolidation/analysis at regional level for replication and scaling up.
	Speed up implementation of activities related to training, study and exchange of the NRM and agriculture development modules.	By end of 2011	Still to be enhanced. Recommendation maintained by the 2012 mission.
	Training of organic farming should be conducted by qualified experts to ensure the understanding and implementation of required standards	Continuously	Being followed up. Local experts were used for organic training.
	Marketing efforts should be intensified to help increase the price premium of the certified products	Continuously	Local government bureaus, farmer cooperatives and private sectors present locally were mobilized to help expand market access.
	Translate the operational manual of women development fund into English and send it to IFAD for final confirmation	End Sept. 11	Completed. The manual was also translated in Uyghur and Kazakh languages.
	Monitor and document the streamlined credit service offered jointly by VCF, RCC and WF and disseminate its experience of moving towards sustainable credit service to other credit service providers of social vocation.	Continuously	Inadequate attention given to analysis of their different financial services. Specific action yet to be undertaken.

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

Performance	Undertake M&E and reporting functions systematically and on a regular basis	Continuously	While reporting is done regularly, the M&E results were not adequately used for management purpose. Adequacy and accuracy in M&E still to be improved.
	Include the revised logframe and RIMS tables in the reporting and update them regularly	At every reporting timeline.	Logframe results were reported but RIMS table was not updated regularly, especially RIMS 2 nd level results.
	Support MRDP knowledge management through additional grant financing	Starting from AWPB 2012	RPMO has planned additional resources to support KM. IFAD grant specifically for MRDP yet to be explored, but overall support to KM in the country program is being enhanced.
Fiduciary aspects	Continue to transfer the IFAD loan proceeds timely to help speed up implementation	Continuously	Situation improving overall, despite of auditor's finding of delayed fund transfer in a few counties during 2012.
	Rectify counterpart funding amounts in the previous progress reports in accordance with audited financial statements	By September 2011 and for each fiscal year	Done. Counterpart funding match with the financing ratio of respective categories/modules
Sustainability & impacts	Promote innovations and success stories at both modality and policy levels	Continuously	Some policy influence observed locally, continued efforts are encouraged by the 2012 mission.
	Capture policy advisory effects that lead to possible positive impact and include this as one of the main tasks of knowledge management	Continuously	Attention being given but results are yet to demonstrate.
	Plan and budget a study on effects and outcomes in relationship with the expected impacts in the AWPB 2012 and undertake the field survey before the annual supervision of 2012.	Before supervision 2012	A dozen cases were analyzed with the outcomes and results of project intervention, and presented to the 2012 supervision mission.

**Appendix 3: Financial: Actual financial performance by financier;
by component and disbursements by category**

Table 3A: Financial performance by financier

Financier	Approval (USD '000)	Disbursements (USD '000)	Per cent disbursed	implemented (USD '000)	Per cent implemented
IFAD loan	25,148	16,080	62%	20185	80%
Government	30,000	20,100	67%	23293	78%
Total	55,148	36,180	66%	43478	79%

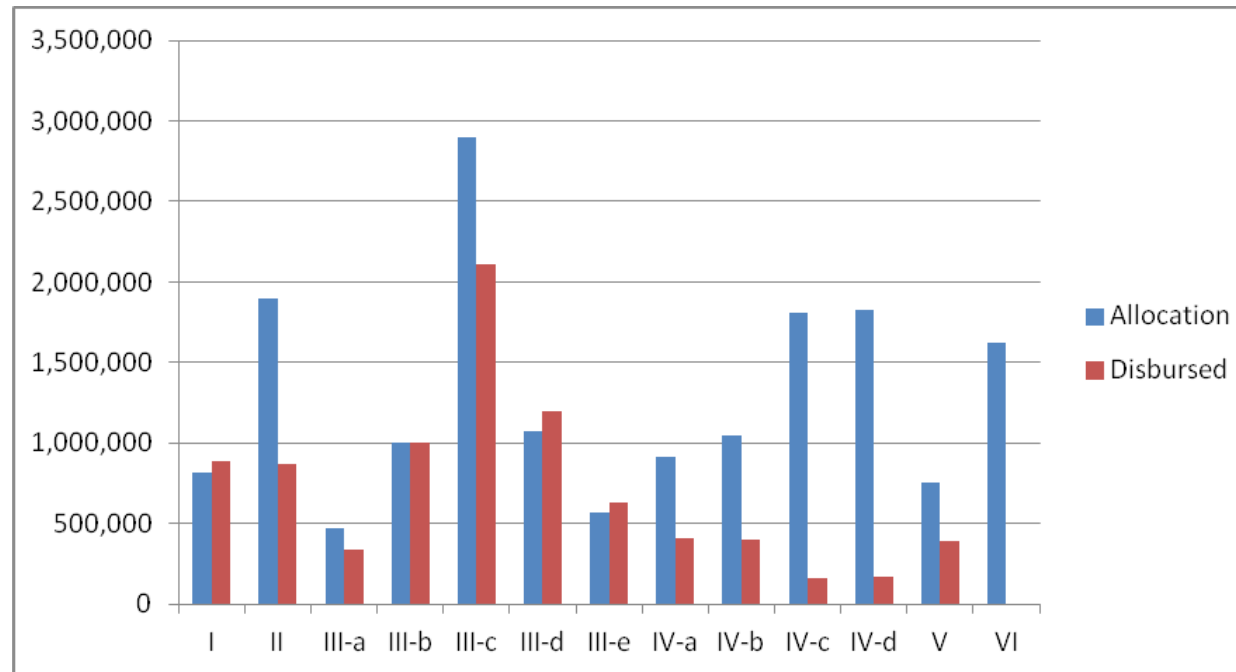
Table 3B: Financial performance by financier by component (USD '000)

Components/Modules 子项目/模块	IFAD loan/农发贷款			Government/政府			Total/总额		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
	批准金额	实际完成金额		批准金额	实际完成金额		批准金额	实际完成金额	
NATURAL RESOURCES MANAGEMENT	2,289	2,065.36	90%	6,868	6,213	90%	9,157	8,278.16	90%
AGRICULTURAL DEVELOPMENT	3,413	3,161.56	93%	8,870	8,189	92%	12,283	11,350.19	92%
STRATEGIC SUPPORT TO WOMEN	7,883	5,955.68	76%	6,312	4,462	71%	14,195	10,418.09	73%
MICROFINANCE	4,839	3,596.70	74%	2,701	1,405.88	52%	7,540	5,002.58	66%
PROGRAM MANAGEMENT	6,724	5,405.91	80%	5,115	3,023	59%	11,839	8,429.07	71%
TOTAL	25,148	20,185	80%	29,866	23,293	78%	55,014	43,478.09	79%

Table 3C: IFAD loan disbursements (SDR, as at 19 July 2012)

Category 类别	Category description 费用支出内容	IFAD % 比例	Allocated(SDR)	Disbursed. (SDR)	Per cent disbursed	Available (SDR) 余额
99Z	Initial Deposit to Special Account			1,776,210.68		
I	Vehicles, Equipment and Materials	100	820,000.00	890,590.89	108.61%	-70,590.89
II	Training, Studies, Implementation Support	60	1,900,000.00	871,085.37	45.85%	1,028,914.63
III	Rural Development Modules - Pilot Phase					
III a	Natural Resource Management	25	470,000.00	341,793.84	72.72%	128,206.16
III b	Agricultural Development	32	1,000,000.00	999,824.97	99.98%	175.03
III c	Strategic Support Women	65	2,900,000.00	2,110,366.49	72.77%	789,633.51
III d	Microfinance	100	1,070,000.00	1,197,468.10	111.91%	-127,468.10
III e	Participatory Village Planning	45	570,000.00	628,466.35	110.26%	-58,466.35
IV	Scaling-up Rural Development Modules					
IV a	Natural Resource Management	25	910,000.00	407,015.04	44.73%	502,984.96
IV b	Agricultural Development	25	1,050,000.00	402,470.78	38.33%	647,529.22
IV c	Strategic Support Women	45	1,810,000.00	158,690.11	8.77%	1,651,309.89
IV d	Microfinance	55	1,830,000.00	167,206.29	9.14%	1,662,793.71
V	Operation & Maintenance	45	750,000.00	393,421.35	52.46%	356,578.65
99	Unallocated		1,620,000.00			1,620,000.00
Total			16,700,000.00	10,344,610.26	61.94%	6,355,389.74

Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement



Appendix 4: Compliance with financing agreement covenants
Status of implementation at July 2012

Section	Covenants	Compliance Status/Date	Remarks
Section 2 . 03	The Borrower, through the DOF, shall open and thereafter maintain in a commercial bank accepted by the Fund, an account denominated in US dollars for the purpose of financing the Program ("Special Account"). The Special Account shall be protected against set-off, seizure or attachment on terms and conditions proposed by the Borrower and accepted by the Fund.	Complied	
Section 2 . 04	The Borrower and each Program Party shall use the proceeds of the Loan exclusively to finance Eligible Expenditures in accordance with this Agreement and the General Conditions	Complied	
Section 3.02 (a)	The Region PMO shall prepare a consolidated draft AWPB for each Program Year based on the draft AWPB prepared and submitted by each Prefecture and County PMOs. Each draft AWPB shall include, among other things, a detailed description of planned Program activities during the coming Program Year, a procurement plan for at least 18 months, progress that has been made in the implementation of the AWPBs and the sources, including counterpart funds, and uses of funds therefore. The AWPB shall reflect the guidance and recommendations as provided by the joint Annual Review described in Section B, paragraph 1.2. of Schedule 3.	Complied	
Section 3.03	Each PMO shall open and thereafter maintain in a Bank acceptable to the Fund, an account denominated in CNY at Region, Prefecture and County levels for Program operations (the "Program Accounts"). The Program Accounts shall be funded and replenished from time to time upon request of the PMO from resources of the Special Account in accordance with the AWPB. Each PMO Director shall be fully authorised to operate the relevant Program Account.	Complied	
Section 3.04 (a)	The Borrower through the Region and Prefecture shall make the proceeds of the Loan available to the County Government in accordance with the customary national procedures for development assistance on on-lending, the Lead Subsidiary Agreement and AWPB to carry out the Program. The Fund lending terms and conditions shall apply at all levels. Each County BOF on behalf of the County Government shall forward the loan proceeds to the County PMOs and Implementing Agencies in accordance with the AWPB and the Subsidiary Agreements.	Being complied	Some delays in transferring of proceeds were identified by the auditors in the FY 2011 review.
Section 3.04 (b)	In addition to the proceeds of the Loan, the Borrower shall make available to the LPA, promptly as needed, such funds, facilities, services and other resources as may be required from time to time to carry out the Program in accordance with this Agreement.	Being complied	Some modules suffer from periodic delay in provision of matching funds

Section	Covenants	Compliance Status/Date	Remarks
Section 3.04 (c)	Without limiting the generality of paragraph (b) above, the Borrower shall make available to the LPA during the Program Implementation Period, counterpart funds from its own resources in an aggregate amount of thirty million United States dollars (USD 30 000 000) in accordance with its customary national procedures for development assistance. For such purpose, the Borrower shall make budgetary allocations for each Fiscal Year equal to the counterpart funds called for in the AWPB for the relevant Program Year and make such allocations available to the LPA in accordance with the Lead Subsidiary Agreement.	Being complied	Same as above
Section 3.05	All procurement financed from the proceeds of the Loan shall be carried out in accordance with Schedule 4.	Being complied	
Section 4.01	<i>Monitoring.</i> As soon as practicable but in no event later than three (3) months after the Effective Date, the Borrower shall cause Prefecture and County PMOs to establish and thereafter maintain an appropriate information management system	Complied.	To improve completeness of indicators for M&E
Section 4.02	The Borrower shall cause the Region PMO to submit to the Fund, semi-annually and annually, progress reports on Program implementation required by Section 8.03 (Progress Reports) of the General Conditions, no later than ten (10) weeks after the end of each such reporting period during the Program Implementation Period.	Being Complied	RPMO to improve timeliness of its semi-annual reporting
Section 5.01	The Borrower shall cause the Region PMO to maintain separate accounts and records required by Section 9.01 (Financial Records) of the General Conditions, and thereafter prepare the financial statements of the operations, resources and expenditures related to the Program required by Section 9.02 (Financial Statements) of the General Conditions in respect of each Fiscal Year, and the Region PMO shall deliver such financial statements to the Fund within three (3) months of the end of each Fiscal Year.	Complied	
Section 5.02	Within 60 days of the Effective Date, the Borrower shall appoint, with the prior approval of the Fund, independent auditors selected in accordance with the procedures and criteria set forth in the Fund's "Guidelines on Project Audits (Borrower's use)"	Complied	
Section 5.02	The Borrower shall cause the Region PMO to have the consolidated financial statements relating to the Program audited each Fiscal Year by such auditors	Being Complied	
Schedule 3, A-2.1	The Borrower, through the MOF, and the Governor of XUAR shall enter into an agreement (the "Lead Subsidiary Agreement"),	Complied	
Schedule 3, A-3.1	Region, Prefecture and County PLGs shall be established by Decree of the respective Governor and shall be responsible for Program coordination, preparation and planning.	Complied	

Section	Covenants	Compliance Status/Date	Remarks
Schedule 3, A-4.1	The PMOs shall be established in each Region, Prefecture and County levels by Decree by the respective governors. The PMOs shall operate under the guidance of the relevant PLG.	Complied	
Schedule 3, B-1.1	County PMOs shall be the lead for the coordination of Program activities with Implementing Agencies including, WF, RCC and private entities to implement the various development modules	Complied	
Schedule 3, B-1.2.1	The Borrower, through the County PMO, shall enter into an agreement with the Prefecture Electricity Company	Not complied	Regulatory constraint and modified by MTR
Schedule 3, B-3.2	The Borrower shall enter into an agreement with the Region WF	Complied	
Schedule 3, B-4.2	Each County BOF in each of the 10 participating counties shall enter into a RCCU Subsidiary Loan Agreement	Complied	
Schedule 3, D1.1, 1.2	The LPA shall prepare a draft Program Implementation Manual. The draft Program Implementation Manual..... The LPA shall forward the draft Program Implementation Manual to the Fund for comments and approval.	Complied	
Schedule 3A, para 1	Each PMO will undertake monitoring and evaluation of Program activities. For that purpose, extensive use of the existing PADO database will be made, refining their gender aspect. Two systems shall be developed: a Management Information System, and a Results and Impact Monitoring System satisfactory to the Fund.	Being complied.	System established, operation to improve
Schedule 3A, para 6	The Borrower shall ensure that the PMOs established in accordance with Section A, paragraph 4 of Schedule 3 be maintained during and at least five years after the Program Completion Date.	Partly complied	All PMOs established but post project existence too early to assess
Schedule 4, para A-3	Before the commencement of procurement and annually thereafter, the Borrower shall furnish to the Fund for approval, a Procurement Plan as described in Appendix 1, paragraph 1 of the IFAD Procurement Guidelines	Being complied	Procurement plan provided annually
Schedule 4, para 9	The award of any contract for goods estimated to cost USD 50 000 equivalent or more shall be subject to prior review by the Fund. The aforementioned threshold may be modified from time to time as notified by IFAD to the Borrower.	Being complied	
Schedule 4, para 10	The award of any contract for works estimated to cost USD 50 000 equivalent or more shall be subject to prior review by the Fund. The aforementioned threshold may be modified from time to time as notified by the Fund to the Borrower.	Being complied	
Schedule 4, para 11	The award of any contract for consulting services referred to in paragraph 7 above estimated to cost USD 50 000 equivalent or more shall be subject to prior review by IFAD The aforementioned threshold may be modified from time to time as notified by the Fund to the Borrower.	Being complied	

Appendix 5: Physical progress measured against AWP&B and appraisal targets, including RIMS indicators

Reporting Period: January 2011 – 31 May 2012

Outputs by component/module 按模块分类的产出效果	Indicator 指标	(Physical) Targets					
		Actual achieved during 2011 实际完成的活动 2011	2012 AWP&B (planned)已计划的年度工作计划与预算	Actual (achieved) 实际完成的活动 2012	Logframe (Global) 逻辑框架	Cumulative 累计完成	% achieved 完成百分比
NRM 自然资源管理	Phase I				(2008-2010)	(2008-2010)	
1.1 Pasture and livestock MGT 草场和家畜管理	475 community members trained by sector 475 个社区成员得到培训				475.00	919.00	193%
	22 community leaders trained by sector 22 个社区领导得到培训				22.00	25.00	114%
	Revolving fund turns over 7 times 周转金运行 7 次以上				7.00	3.00	43%
	13 new technologies demonstrated on farmers land 13 项新技术得到示范				13.00	7.00	54%
1.2 Dry land livestock MGT 旱区家畜管理	120 community members trained by sector 120 个社区成员得到培训				120.00	Not reported	0%
	10 community leaders trained by sector 10 个社区领导接受了培训				10.00	Not reported	0%
	Revolving fund turns over 2 times 周转金运行 2 次以上				2.00	1.00	50%
	3 new technologies demonstrated on farmers land 3 项技术得到示范				3.00	2.00	67%
1.3 Farmland reservation & improve. 耕地保护及改良	890 community members trained by sector 890 个社区成员得到培训				890.00	1992.00	224%
	46 community leaders trained by sector 46 个社区领导接受了培训				46.00	82.00	178%

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

	Revolving fund turns over 8 times 循环资金运转 8 次以上				8.00	3.00	38%
	15 new technologies demonstrated on farmers land 15 项技术得到示范				15.00	14.00	93%
1.4 Forest plantation and MGT 森林种植与管理	1,800 community members trained by sector 1800 名社区成员得到了培训				1800.00	2811.00	156%
	80 community leaders trained by sector 80 个社区领导接受了培训				80.00	117.00	146%
	Revolving fund turns over 11 times 循环资金运转 11 次以上				11.00	3.00	27%
	22 new technologies demonstrated on farmers land 22 项技术得到示范				22.00	14.00	64%
1.5 Integrated mountain area resources MGT 山村资源管理	370 community members trained by sector 370 名社区成员得到了培训				370.00	1270.00	343%
	26 community leaders trained by sector 26 个社区领导接受了培训				26.00	89.00	342%
	Revolving fund turns over 6 times 循环 资金运转 6 次以上				6.00	3.00	50%
	9 new technologies demonstrated on farmers land 9 项技术得到示范				9.00	9.00	100%
1.6 Solar power home system 太阳能	480 households having access to solar energy through grid connection 480 户接入并网发电的太阳能系统		-		480.00	Not implemented	0%
	300 household having access to stand alone solar energy system 300 户接入独 立太阳能系统		-		300.00	Not implemented	0%
NRM 自然资源管理	Phase II	Actual achieved during 2011 实际完成的活动 2011	2012 AWP&B (planned)已计划的 年度工作计划与预算	Actual (achieved) 实际完成的活动 2012	Logframe (Phase) 逻辑框架	Cumulative 累计完 成	% achieved 完成百分比
NRM Module	18400 community members trained 18400 名社区领导和成员得到培训	8060.00	4811.00	920.00	18400.00	8980.00	49%

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

	60417 CNY invested for community needs 社区需求活动投入资金 60417 千元	33370.86	17337.05	5391.52	60417.00	38762.38	64%
	Community fund revolved at least 2 times 社区至少运行周转金 2 次	2.00	2.00	2.00	2.00	4.00	200%
	92 villages conducted new technology demonstration 92 个村进行新技术示范	45.00	27.00	12.00	92.00	57.00	62%
	200 person participated in exchange visit 200 人参加经验交流考察	50.00	100.00	60.00	200.00	110.00	55%
Ag. Dev. 农业发展	Phase I						
<i>2.1 Participatory Tech. extension – crop 农作物参与式推广</i>	950 Extension staff received training in facilitation 950 名推广人员接受培训				950.00	294.00	31%
	1,361 persons acquired new technologies and knowhow 1361 人获得新技术并熟知该技术				1361.00	3057.00	225%
	232 farmer demonstrations established 成立了 232 户示范农户				232.00	1784.00	769%
	1,106 farmer technicians trained 1106 位农民技术员得到培训				1106.00	430.00	39%
	3,840 farmers trained 3840 位农民接受培训				3840.00	4387.00	114%
	41 township extension stations equipped 使 41 个乡镇推广站正常运转				41.00	35.00	85%
<i>2.2 Particip. Tech. extension –livestock 畜牧业参与式推广</i>	950 Extension staff received training in facilitation 950 名推广人员接受培训				950.00	349.00	37%
	1,361 persons acquired new technologies and knowhow 1361 人获得新技术并熟知该技术				1361.00	4085.00	300%
	232 farmer demonstrations established 成立了 232 户示范农户				232.00	2112.00	910%
	1,212 farmer technicians trained 1212 位农民技术员得到培训				1212.00	443.00	37%

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

	3,930 farmers trained 3930 位农民接受培训				3930.00	5122.00	130%
	41 township extension stations equipped 使 41 个乡镇推广站正常运转				41.00	30.00	73%
2.3 Particip. Tech. extension –forestry 林 业参与式推广	950 Extension staff received training in facilitation 950 名推广人员接受培训				950.00	480.00	51%
	1,361 persons acquired new technologies and knowhow 1361 人获得 新技术并熟知该技术				1361.00	3410.00	251%
	232 farmer demonstrations established 成立了 232 户示范农户				232.00	955.00	412%
	1,197 farmer technicians trained 1197 位农民技术员得到培训				1197.00	596.00	50%
	3,870 farmers trained 3870 位农民接受 培训				3870.00	3733.00	96%
	41 township extension stations equipped 使 41 个乡镇推广站正常运转				41.00	16.00	39%
2.4 Technical envoy system 科技特派员	434 technical envoys trained 434 位科技 特派员得到培训				434.00	640.00	147%
	382 farmer demonstrations established 建立 382 个示范农户				382.00	1953.00	511%
	115 counties that have established compensation and incentive mechanism 115 个县建立了补偿 激励机制				115.00	54.00	47%
2.5 Organic Farming & Marketing 有机农业 与市场	10 contracts signed 签订 10 项合同				10.00	7.00	70%
	10 organic farmer associations established 建立十个有机协会				10.00	12.00	120%
	Number of organic products certified 有 机产品认证				No target	13	
Ag. Dev. 农业发展	Phase II	Actual achieved during 2011 实际完成的活动 2011	2012 AWP&B (planned) 已计划的 年度工作计划与预算	Actual (achieved) 实际完成的活动 2012	Logframe (phase) 逻辑框架	Cumulative 累计完 成	% achieved 完成百分比

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

Agricultural dev. Module	1500 staff trained in new technology and knowledge 1500 人员得到技术及知识更新等方面的培训	1335.00	800.00	150.00	1500.00	1485.00	99%
	1300 HH introduced new technology 1300 户得到新知识、新技术的引进	12000.00	10000.00	8173.00	1300.00	20173.00	1552%
	130 villages undertake technology demonstration 130 个村进行技术推广示范	55.00	39.00	25.00	130.00	80.00	62%
	260 farmer technicians trained 260 个农民技术员得到培训	345.00	200.00	150.00	260.00	495.00	190%
	6500 farmers trained 6500 个农民得到培训	9463.00	3500.00	2833.00	6500.00	12296.00	189%
	30 township extension station improved facilities and equipment 30 个乡镇站技术设备得到改善	30.00	10.00	80.00	30.00	110.00	367%
	600 undertake exchange visit 600 人参加交流考察	189.00	200.00	200.00	600.00	389.00	65%
Organic farming Module	Organic certification conducted with 10 sales agreements signed 有机产品生产和销售的商家得到认证，签署 10 个合作协议	47.00	10.00	12.00	10.00	59.00	590%
	40 farmer associations established for organic production 成立 40 个有机产品生产农民协会	47.00	20.00	12.00	40.00	59.00	148%
	40 demonstration sites established 建立 40 个示范点	47.00	20.00	12.00	40.00	59.00	148%
	2400 members trained 培训 2400 人	4805.00	3290.00	2363.00	2400.00	7168.00	299%
	10 products certified with organic production 10 个有机产品得到认证	24.00	20.00	5.00	10.00	29.00	290%
Support to women 妇女支持	Phase I						
3.1 Women groups	2,136 staffs trained 2136 职员得到培训				2136.00	1779.00	83%

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

妇女小组	1,074 women credit groups formed 1074 妇女信贷小组建立				1074.00	884.00	82%
	10,000 persons trained by gender and by subject 10000 人接受性别培训				10000.00	10461.00	105%
	CNY 22,704 K seed capital granted 发放 22704 千元人民币的种子资金				22704.00	21259.58	94%
3.2 Women associations	630 staffs trained 630 位职员得到培训				630.00	637.00	101%
妇女协会	200 women associations established 200 个妇女协会建立				200.00	66.00	33%
	12,300 association members trained by gender and by subjects 12300 协会成员 得到性别和知识培训				12300.00	8493.00	69%
	104 township WFs receiving programme support				104.00	83.00	80%
Support to women 妇女支持	Phase II	Actual achieved during 2011 实际完成的活动 2011	2012 AWP&B (planned)已计划的 年度工作计划与预算	Actual (achieved) 实际完成的活动 2012	Logframe (present phase) 逻辑框架	Cumulative 累计完 成	% achieved 完成百分比
Women association Module	600 women association officials trained 600 人妇女协会领导得到培训	2867.00	200.00	1153.00	600.00	4020.00	670%
	284 women association established 成立妇女协会 284 个	67.00	126.00	45.00	284.00	112.00	39%
	30799 women association members trained 30799 个妇女协会成员得到培训	10569.00	16765.00	25045.00	30799.00	35614.00	116%
	66143K CNY invested in women IGA and SMEs 66143 千元发展资金用于支持妇女创收和微 型企业发展	17219.20	44348.83	16445.95	66143.00	33665.15	51%
Microfinance 小额信 贷	Phase I						
4.1 VCF 村级信贷基金	Number of households that participate in VCF by category 参加村级信贷基金的农 户				2082.00	5736.00	276%

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

	Number of beneficiary trained 受益人培训数				4008.00	7149.00	178%
	Amount of seed capital provided 提供的种子资金总额				3893.76	4995.56	128%
4.2 Support to RCC 支持农村信用社	Number of poverty households that were established to be creditworthy				2082.00	3978.00	191%
	Number of staffs trained 职员培训的数量				371.00	278.00	75%
	Market research carried out 每人每天执行的工作量				248.00		0%
Microfinance 小额信贷	Phase II	Actual achieved during 2011 实际完成的活动 2011	2012 AWP&B (planned)已计划的年度工作计划与预算	Actual (achieved) 实际完成的活动 2012	Log frame (Present phase) 逻辑框架	Cumulative 累计完成 Present Phase	% achieved 完成百分比
VCF	4000 persons trained 4000 人受益人得到培训	4952.00	14289.00	3813.00	4000.00	8765.00	219%
	15257K CNY revolving fund successfully managed by VCF VCF 成功运行 15257 千元贷款资金	5642.96	7502.66	1406.08	1500.00	7049.04	470%
	2000 HH received VCF loans 2000 户获得村级信贷基金贷款	8441.00	1000.00	4159.00	2000.00	12600.00	630%
Support to RCC	3500 poor HH received RCC loans 3500 户贫困农户获得信用社贷款	55071.00	2500.00	37623.00	3500.00	92694.00	2648%
	120 RCC staff received training 120 个信用社员工得到培训	427.00	4035.00	1405.00	120.00	1832.00	1527%
	5977K CNY provided by RCC as counterpart financing 信用社提供 5977 千元配套资金	2331.72	2401.43	1032.08	5977.00	3363.80	56%
	1 package of advocacy document produced to promote RCC lending for poor 制作 1 套有关信用社支持贫困户贷款的材料	1.00	1.00	1.00	1.00	1.00	100%
Programme MGT & PVP	Phase I						

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

5. 1. Participatory village planning 参与式村级规划	Number of staffs trained 培训职员数量				374.00	398.00	106%
	Number of village annual plans formed 制订的村级规划数量				100.00	100.00	100%
	Number of community projects implemented by sector 执行的社区项目数量				30.00	30.00	100%
Programme MGT & PVP	Phase II						
	Number of PMO/IA staffs trained 培训职员数量	347		462		809	

Appendix 6: RIMS Tables

First Level Results							
Outputs by component/module 按模块分类的产出效果	Indicator 指标	(Physical) Targets					
					Logframe (Phase I) 逻辑框架	Cumulative results Phase I 累计完成	% achieved 完成百分比
NRM 自然资源管理	Phase I				(2008-2010)	(2008-2010)	
1.1 Pasture and livestock MGT 草场和家畜管理	475 community members trained by sector 475 个社区成员得到培训				475.00	919.00	193%
	22 community leaders trained by sector 22 个社区领导得到培训				22.00	25.00	114%
	Revolving fund turns over 7 times 周转金运行 7 次以上				7.00	3.00	43%
	13 new technologies demonstrated on farmers land 13 项新技术得到示范				13.00	7.00	54%
1.2 Dry land livestock MGT 旱区家畜管理	120 community members trained by sector 120 个社区成员得到培训				120.00	Not reported	0%
	10 community leaders trained by sector 10 个社区领导接受了培训				10.00	Not reported	0%
	Revolving fund turns over 2 times 周转金运行 2 次以上				2.00	1.00	50%
	3 new technologies demonstrated on farmers land 3 项技术得到示范				3.00	2.00	67%
1.3 Farmland reservation & improve. 耕地保护及改良	890 community members trained by sector 890 个社区成员得到培训				890.00	1992.00	224%
	46 community leaders trained by sector 46 个社区领导接受了培训				46.00	82.00	178%
	Revolving fund turns over 8 times 循环资金运转 8 次以上				8.00	3.00	38%

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

	15 new technologies demonstrated on farmers land 15 项技术得到示范				15.00	14.00	93%
1.4 Forest plantation and MGT 森林种植与管理	1,800 community members trained by sector 1800 名社区成员得到了培训				1800.00	2811.00	156%
	80 community leaders trained by sector 80 个社区领导接受了培训				80.00	117.00	146%
	Revolving fund turns over 11 times 循环资金运转 11 次以上				11.00	3.00	27%
	22 new technologies demonstrated on farmers land 22 项技术得到示范				22.00	14.00	64%
1.5 Integrated mountain area resources MGT 山村资源管理	370 community members trained by sector 370 名社区成员得到了培训				370.00	1270.00	343%
	26 community leaders trained by sector 26 个社区领导接受了培训				26.00	89.00	342%
	Revolving fund turns over 6 times 循环资金运转 6 次以上				6.00	3.00	50%
	9 new technologies demonstrated on farmers land 9 项技术得到示范				9.00	9.00	100%
1.6 Solar power home system 太阳能	480 households having access to solar energy through grid connection 480 户接入并网发电的太阳能系统		-		480.00	Not implemented	0%
	300 household having access to stand alone solar energy system 300 户接入独立太阳能系统		-		300.00	Not implemented	0%
NRM 自然资源管理	Phase II	Actual achieved during 2011 实际完成的活动 2011	2012 AWP&B (planned) 已计划的年度工作计划与预算	Actual (achieved) 实际完成的活动 2012	Logframe (Phase II) 逻辑框架	Cumulative 累计完成 2011-2012	% achieved 完成百分比
NRM Module	18400 community members trained 18400 名社区领导和成员得到培训	8060.00	4811.00	920.00	18400.00	8980.00	49%
	60417 CNY invested for community needs 社区需求活动投入资金 60417 千元	33370.86	17337.05	5391.52	60417.00	38762.38	64%

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

	Community fund revolved at least 2 times 社区至少运行周转金 2 次	2.00	2.00	2.00	2.00	4.00	200%
	92 villages conducted new technology demonstration 92 个村进行新技术示范	45.00	27.00	12.00	92.00	57.00	62%
	200 person participated in exchange visit 200 人参加经验交流考察	50.00	100.00	60.00	200.00	110.00	55%
Ag. Dev. 农业发展	Phase I				Logframe (Phase I) 逻辑框架	Cumulative results Phase I 累计完成	% achieved 完成百分比
<i>2.1 Particip. Tech. extension –crop 农作物参与式推广</i>	950 Extension staff received training in facilitation 950 名推广人员接受培训				950.00	294.00	31%
	1,361 persons acquired new technologies and knowhow 1361 人获得新技术并熟知该技术				1361.00	3057.00	225%
	232 farmer demonstrations established 成立了 232 户示范农户				232.00	1784.00	769%
	1,106 farmer technicians trained 1106 位农民技术员得到培训				1106.00	430.00	39%
	3,840 farmers trained 3840 位农民接受培训				3840.00	4387.00	114%
	41 township extension stations equipped 使 41 个乡镇推广站正常运转				41.00	35.00	85%
<i>2.2 Particip. Tech. extension –livestock 畜牧业参与式推广</i>	950 Extension staff received training in facilitation 950 名推广人员接受培训				950.00	349.00	37%
	1,361 persons acquired new technologies and knowhow 1361 人获得新技术并熟知该技术				1361.00	4085.00	300%
	232 farmer demonstrations established 成立了 232 户示范农户				232.00	2112.00	910%
	1,212 farmer technicians trained 1212 位农民技术员得到培训				1212.00	443.00	37%
	3,930 farmers trained 3930 位农民接受培训				3930.00	5122.00	130%

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

	41 township extension stations equipped 使 41 个乡镇推广站正常运转				41.00	30.00	73%
2.3 Particip. Tech. extension -forestry 林业参与式推广	950 Extension staff received training in facilitation 950 名推广人员接受培训				950.00	480.00	51%
	1,361 persons acquired new technologies and knowhow 1361 人获得新技术并熟知该技术				1361.00	3410.00	251%
	232 farmer demonstrations established 成立了 232 户示范农户				232.00	955.00	412%
	1,197 farmer technicians trained 1197 位农民技术员得到培训				1197.00	596.00	50%
	3,870 farmers trained 3870 位农民接受培训				3870.00	3733.00	96%
	41 township extension stations equipped 使 41 个乡镇推广站正常运转				41.00	16.00	39%
2.4 Technical envoy system 科技特派员	434 technical envoys trained 434 位科技特派员得到培训				434.00	640.00	147%
	382 farmer demonstrations established 建立 382 个示范农户				382.00	1953.00	511%
	115 counties that have established compensation and incentive mechanism 115 个县建立了补偿激励机制				115.00	54.00	47%
2.5 Organic Farming & Marketing 有机农业与市场	10 contracts signed 签订 10 项合同				10.00	7.00	70%
	10 organic farmer associations established 建立十个有机协会				10.00	12.00	120%
	Number of organic products certified 有机产品认证				No target	13	
Ag. Dev. 农业发展	Phase II	Actual achieved during 2011 实际完成的活动 2011	2012 AWP&B (planned) 已计划的年度工作计划与预算	Actual (achieved) 实际完成的活动 2012	Logframe (Phase II) 逻辑框架	Cumulative 累计完成 2011-2012	% achieved 完成百分比

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

Agricultural dev. Module	1500 staff trained in new technology and knowledge 1500 人员得到技术及知识更新等方面的培训	1335.00	800.00	150.00	1500.00	1485.00	99%
	1300 HH introduced new technology 1300 户得到新知识、新技术的引进	12000.00	10000.00	8173.00	1300.00	20173.00	1552%
	130 villages undertake technology demonstration 130 个村进行技术推广示范	55.00	39.00	25.00	130.00	80.00	62%
	260 farmer technicians trained 260 个农民技术员得到培训	345.00	200.00	150.00	260.00	495.00	190%
	6500 farmers trained 6500 个农民得到培训	9463.00	3500.00	2833.00	6500.00	12296.00	189%
	30 township extension station improved facilities and equipment 30 个乡镇站技术设备得到改善	30.00	10.00	80.00	30.00	110.00	367%
	600 undertake exchange visit 600 人参加交流考察	189.00	200.00	200.00	600.00	389.00	65%
Organic farming Module	Organic certification conducted with 10 sales agreements signed 有机产品生产和销售的商家得到认证, 签署 10 个合作协议	47.00	10.00	12.00	10.00	59.00	590%
	40 farmer associations established for organic production 成立 40 个有机产品生产农民协会	47.00	20.00	12.00	40.00	59.00	148%
	40 demonstration sites established 建立 40 个示范点	47.00	20.00	12.00	40.00	59.00	148%
	2400 members trained 培训 2400 人	4805.00	3290.00	2363.00	2400.00	7168.00	299%
	10 products certified with organic production 10 个有机产品得到认证	24.00	20.00	5.00	10.00	29.00	290%
Support to women 妇女支持	Phase I				Logframe (Phase I) 逻辑框架	Cumulative results Phase I 累计完成	% achieved 完成百分比

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

3.1 Women groups	2,136 staffs trained 2136 职员得到培训				2136.00	1779.00	83%
妇女小组	1,074 women credit groups formed 1074 妇女信贷小组建立				1074.00	884.00	82%
	10,000 persons trained by gender and by subject 10000 人接受性别培训				10000.00	10461.00	105%
	CNY 22,704 K seed capital granted 发放 22704 千元人民币的种子资金				22704.00	21259.58	94%
3.2 Women associations	630 staffs trained 630 位职员得到培训				630.00	637.00	101%
妇女协会	200 women associations established 200 个妇女协会建立				200.00	66.00	33%
	12,300 association members trained by gender and by subjects 12300 协会成员 得到性别和知识培训				12300.00	8493.00	69%
	104 township WFs receiving programme support				104.00	83.00	80%
Support to women 妇女支持	Phase II	Actual achieved during 2011 实际完成的活动 2011	2012 AWP&B (planned)已计划的 年度工作计划与预算	Actual (achieved) 实际完成的活动 2012	Logframe (Phase II) 逻辑框架	Cumulative 累计完 成 2011-2012	% achieved 完成百分比
Women association Module	600 women association officials trained 600 人妇女协会领导得到培训	2867.00	200.00	1153.00	600.00	4020.00	670%
	284 women association established 成立妇女协会 284 个	67.00	126.00	45.00	284.00	112.00	39%
	30799 women association members trained 30799 个妇女协会成员得到培训	10569.00	16765.00	25045.00	30799.00	35614.00	116%
	66143K CNY invested in women IGA and SMEs 66143 千元发展资金用于支持妇女创收和微 型企业发展	17219.20	44348.83	16445.95	66143.00	33665.15	51%
Microfinance 小额信 贷	Phase I				Logframe (Phase I) 逻辑框架	Cumulative results Phase I 累 计完成	% achieved 完成百分比

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

4.1 VCF 村级信贷基金	Number of households that participate in VCF by category 参加村级信贷基金的农户				2082.00	5736.00	276%
	Number of beneficiary trained 受益人培训数				4008.00	7149.00	178%
	Amount of seed capital provided 提供的种子资金总额				3893.76	4995.56	128%
4.2 Support to RCC 支持农村信用社	Number of poverty households that were established to be creditworthy				2082.00	3978.00	191%
	Number of staffs trained 职员培训的数量				371.00	278.00	75%
	Market research carried out 每人每天执行的工作量				248.00		0%
Microfinance 小额信贷	Phase II	Actual achieved during 2011 实际完成的活动 2011	2012 AWP&B (planned)已计划的年度工作计划与预算	Actual (achieved) 实际完成的活动 2012	Logframe (Phase II) 逻辑框架	Cumulative 累计完成 2011-2012	% achieved 完成百分比
VCF	4000 persons trained 4000 人受益人得到培训	4952.00	14289.00	3813.00	4000.00	8765.00	219%
	15257K CNY revolving fund successfully managed by VCF VCF 成功运行 15257 千元贷款资金	5642.96	7502.66	1406.08	1500.00	7049.04	470%
	2000 HH received VCF loans 2000 户获得村级信贷基金贷款	8441.00	1000.00	4159.00	2000.00	12600.00	630%
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	120 RCC staff received training 120 个信用社员工得到培训	427.00	4035.00	1405.00	120.00	1832.00	1527%
	5977K CNY provided by RCC as counterpart financing 信用社提供 5977 千元配套资金	2331.72	2401.43	1032.08	5977.00	3363.80	56%
	1 package of advocacy document produced to promote RCC lending for poor 制作 1 套有关信用社支持贫困户贷款的材料	1.00	1.00	1.00	1.00	1.00	100%

Modular Rural Development Program
Supervision Mission Report: 5-21 July 2012

Programme MGT & Village Planning	Phase I				Logframe (Phase I) 逻辑框架	Cumulative results Phase I 累计完成	% achieved 完成百分比
<i>5. 1. Participatory village planning 参与式村级规划</i>	Number of staffs trained 培训职员数量				374.00	398.00	106%
	Number of village annual plans formed 制订的村级规划数量				100.00	100.00	100%
	Number of community projects implemented by sector 执行的社区项目数量				30.00	30.00	100%
Programme MGT & Village Planning	Phase II						
	Number of PMO/IA staffs trained 培训职员数量	347		462		809	

Second Level Results				
Component		MTR	2012 Results/Rating	
			By Project	By Mission
Total Project Outreach				
Project interventions extended to 1171 project villages			2,232	6
Project outreach to 176,000 households			Not available	5
1. Natural Resources Management (NRM)				
1.1 Pasture and livestock MGT	Pasture for livestock coverage increased by 20%	No report	5	4
	80% of HHs in the project area adopted recommended technologies	80%	5	6
	80% pasture and livestock management groups still function after 3 years	100%	5	3
1.2 Dry land livestock MGT	80% of households who got support from the project adopt the technologies	90%	5	6
	80% dry land and livestock management groups still function after 3 years	100%	5	3
1.3 Farmland reservation & improve.	50% participation HHs claimed at least 5% increase in production yield	90%	5	6
	80% farmland reservation and improvement management groups still function after 3 years	100%	5	3
1.4 Forest plantation and MGT	80% forest area planted under the project has been managed effectively	99%	5	5
	Output rate of old orchard increased by 30%	No report	5	5
	80% HHs adopted the project recommended technologies	90%	5	6
	80% farmland reservation and improvement management groups still function after 3 years	100%	5	4
1.5 Integrated mountain area resources MGT	80% of project beneficial HHs adopted the livestock and resources management technologies	90%	5	6
	Carrying capacity of grassland increased 10%	No report	5	4
	80% management groups still function after 3 years	100%	5	3
1.6 Solar power home system	No. of HHs installed the system	Not implemented	n/a	n/a
	No. of solar systems still function well after 3 years		n/a	n/a
2. Agricultural Development				
2.1 Particip. Tech. extension –crop	80% participated HHs adopted the extended technologies	90%	5	6
	50% HHs who adopted the technologies claimed at least 5% increase in production yield	70%	5	6

2.2 Particip. Tech. extension – livestock	80% participated HHs adopted the extended technologies	95%	5	6
	50% HHs who adopted the technologies claimed at least 15% increase in income		5	5
2.3 Particip. Tech. extension – forestry	80% participated HHs adopted the extended technologies	90%	5	6
	50% HHs who adopted the technologies claimed at least 15% increase in income		5	5
2.4 Technical envoy system	80% HHs adopted the services claimed at least 20% increase in production yield	No report	5	5
2.5 Organic Farming & Marketing	30% of ag. Products applying for organic certification are approved	No report	5	5
	90% certified organic agricultural products got 20% over-value	No report	5	4
3. Strategic Support to Women				
3.1 Women groups	At least 80% of planned women groups have been materialized and effective	99%	5	6
	At least 50% of women group members belong to the category of poor	51%	5	5
	WGMC repayment rate achieves 95%	100%	5	6
	At least 60% of WGMC members access to micro-credits	30%	5	5
	At least 80% of women groups still function well after 3 years	100%	5	6
3.2 Women associations	At least 80% of planned women associations have been materialized	No report	5	6
	80% of association members formerly belonging to the category of poor have their income increased over poverty line of at programme completion	No report	4	4
	At least 80% of women associations still function well after 3 years	100%	5	5
4. Micro-Finance				
4.1 Village Credit Fund	80% VCF micro-credit borrowers were the poor	No report	5	5
	Module VCF self-sufficiency over 100%	<100%	5	5
	> 95% of repayment rate	100%	6	6
	50% of borrowers are women	58%	5	4
4.2 Support to RCC	At least 50% of programme micro-credit borrower were poor, by gender	50%	5	5
	Module MC operation self-sufficiency over 115%	125%	6	5
5. Participatory village planning	80% of HHs living in the village are the poor benefiting from the community infrastructure	100%	6	5
6. Institutional support and project MGT	35% of staffs are female in the programme management	35%	5	5
	100% of IFAD loan disbursement rate			62%

Third Level Results					
Indicators	Unit	Baseline	Mid-term	Completion	Target
50% decrease in poverty prevalence compared to baseline	%	51%	49%	Too early	
50% of households with improved food security, compared to baseline	%	88%	99%	Too early	
50% drop in child malnutrition incidence compared to baseline, by gender*	%				
Boys	%				
<i>Acute</i>		13%	5%	Too early	
<i>Chronic</i>		39%	32%	Too early	
<i>Underweight</i>		17%	9%	Too early	
Girls	%				
<i>Acute</i>		11%	5%	Too early	
<i>Chronic</i>		37%	27%	Too early	
<i>Underweight</i>		15%	7%	Too early	
50% increase in HH asset ownership of poor compared to baseline *	%				
<i>Poorest</i>	%	20%	20%	Too early	
<i>Poor</i>	%	21%	19%	Too early	
Safe water		87%	93%	Too early	
Sanitation		4%	2%	Too early	
Total number of farmer beneficiaries s trained (during 2011-2012) *	Pers			89,147*	
<i>men</i> *				19,630*	
<i>Women</i> *				69,517*	

*Note: these indicators are not standard RIMS indicators, but added in reaction to the APR requirement for the 2012 supervisions. Figures are reported against years 2011-2012 only, may have included repeated counting of same beneficiaries trained in different modules

Appendix 7: Learning and Innovation

Learning: What has worked particularly well in this project during this period? What have been the reasons for this?

1. Through alignment of program resources with extra external financing from peer provinces mobilized under the "assisting Xinjiang" campaign pledged by the central government since 2010, the MRDP initiated IGA activities for ethnic women in exploiting their traditional handicraft skills have yielded good impact in some counties. For example, in Cele County of Hetian Prefecture, which was targeted by Tianjin Municipality under the peer assistance arrangement of the central government, a training and exhibition center for ethnic women handicraft was built with additional financing and equipment provided from the eastern coastal Tianjin municipality. With this facility, the women federation is able to organize classroom plus hands-on training to interested women to learn and improve their indigenous skills in weaving and embroidery, exhibit their products and even enter trade deals with merchants visiting the center. The construction of the center was partly attributed to the initial impact demonstrated by MRDP support women IGA activities in promoting ethnic weaving and embroidery handicrafts, largely also due to the enhanced organization and lobbying capability of local Women Federation to have included such support in the overall government planning. The learning for such success can be summarized as:
 - demonstrating results and impacts from project interventions
 - enhancing institutional capacity for organization and planning
 - using proven success to influence policy making and government planning
2. Though moved at slower pace, the development of organic agriculture, especially processed organic products, such as rose essence oil, dried jujube and walnut products etc.. has demonstrated its great potential in Xinjiang to promote local advantaged even unique products, bring additional income to farmers and local economy. Given the vastness and remoteness of project areas in Xinjiang from product markets, transportation and preserving of perishable organic products is difficult and costly, while developing further processed products promoted the comprehensive utilization of raw materials and reduced losses. In the organic agricultural development planning, the local governments are also making great efforts to attract entrepreneurs to establish local processing enterprises. Reasons for success can be summarized as:
 - Fully exploiting local comparative advantages
 - Promote value adding of local produces through identifying their niche market
 - Sector policies and support to nurture the industry that can fully let play the local advantages

Learning: What has not worked so well? What have been the reasons?

1. Community participatory natural resources management aiming at long term sustainability has not been given due emphasis as anticipated by the program at its design. In fact the program at design had foreseen to introduce also community revolving fund that help to support community participatory NRM to conserve fragile natural resources base in the project areas, but the operation of such incentive mechanism was not active pursued. As a results, there has been much confusion between the NRM modules and agriculture modules, only a few true NRM modules were implemented in some counties while the rest counties focused primarily on production nature and economic returns in the NRM modules, instead of promoting community self-governance, conserving and sustainable utilizing natural resources available to beneficiaries. Such deviated focus of program can be attributed to:
 - Lack of understanding of IAs in the strategy of the program modules;
 - Limited matching resources to support NRM related activities, thus the IAs find it easier to implement agricultural and production related activities under the name of NRM modules;
 - Social mobilization efforts and participation effects in the ethnic minorities areas is harder than program anticipated, self-governance in local communities is even more difficult to be pursued. In adequate program support is availed in this regard
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2. The credit services delivered through women associations/groups are not working so well in responding to the objectives of these modules, in view of their targeting of clients and sustainability such operation.

Firstly the design itself left some confusion as both women groups and associations were also supposed to offer credit services, after MTR this was adjusted to pool the credit resources of both modules into one credit scheme. But due to the prevailing of interest subsidized government lending also operated by the WF, the credit scheme of the program was adjusted to support women group lending with 20% of the designated resources, at zero interest on borrowers, while 80% of the resources used as guarantee funds for bank loans aimed for bigger loans by mostly capable women borrowers under the government initiated interest subsidized credit program. Therefore in both cases, no interest is collected from borrowers mainly due to the practice introduced by government program.

The MRDP could consider terminate its women credit activities in the program, but the credit demands of relative poor women do exist and will not be met if MRDP is not providing them the opportunities. This left the program in a difficult situation with two concerns: a) the sustainability of program supported credit scheme is a concern, given both the group lending (using 20% of program credit resources) and the guarantee funds (using 80% of the program credit resources to leverage bank loans) accrue no interest; b) the targeting of program resources used as guarantee funds for bank loans is not fully in compliance with program strategy, though it is arguable that women entrepreneurs who got bank loans also offer opportunity to poor women through their cooperatives and associations.

Cause for this situation with the women credit interventions can mainly be attributed to unfavorable government policy that created difficult credit environment for the program.

Innovation: Describe any interesting innovation noted during supervision

The mission did not identify substantial interesting innovations during the mission

Innovation: How might this be replicated by others, or upscaled here?

Appendix 8: Logical Framework

Narrative Summary	Indicators	Achievements
Goal		
Successful innovative pilot approaches to poverty reduction adopted on a large scale in XUAR by government and other donors.	No. of non-project counties within the Region who have adopted the new conceptions and methodologies	No report
Objective		
Decrease the poverty prevalence of project villages in a sustainable and gender equality manner	<ul style="list-style-type: none"> - 50% decrease in poverty prevalence compared to baseline. - 50% of households with improved food security, compared to baseline*. - 50% drop in child malnutrition incidence compared to baseline, by gender*. - 50% increase in HH asset ownership of poor compared to baseline *. 	
Outcomes	Indicators	Achievements⁵
1. Natural resources management		
1.1 Pasture	Pasture for livestock coverage increase by 20%	n/a
1.2 Farmland reservation and improve	50% participation HHs claimed at least 5% increase in crop production yield	90% participation HHs claimed at least 5% increase in crop production yield
1.3 Forest plantation	80% forest area planted under the project has been managed effectively	99% forest area planted under the project has been managed effectively
1.4 Integrated mountain area resources	Output rate of old orchard increased by 30%	n/a
	Carrying capacity of grassland increased 10%	n/a
1.5 Community-based NRM methodologies and concepts adopted by the farmers	80% of HHs in the project area adopted recommended technologies	86.7% (based on MTR average)
	80% NRM groups still function after 3 years	100%
2. Agriculture Development		
2.1 Agriculture technical extension strategy was adopted and extended, and HHs access to need-oriented technical services	80% participated HHs adopted the extended technologies 50% HHs who adopted the technologies claimed at least 10% increase in agricultural production income	90% participated HHs adopted the extended technologies 70% HHs who adopted the technologies claimed at least 10% increase in agricultural production income
2.2 Organic Farming & Marketing	30% of Agri. products applying for organic certification are approved	n/a
The No. of HHs who work on price premium and certified organic agricultural products production increased	90% Certified organic agricultural products got 10% premium	n/a
	60% of involved HHs continue to apply organic farming	n/a
3. Strategic support to women		

⁵ Unless otherwise specified, outcome achievements were results of mid-term survey in 2010, since there was no annual survey conducted by MRDP.

3.1 Women groups	At least 80% of planned women groups and associations have been materialized and effective	99% of planned women groups and associations have been materialized and effective
Socio-economic status of women and their access to financial services and entrepreneurship support were improved	At least 50% of women group and association members belong to the category of poor At least 98% of program WGMF funds recovered At least 60% of WGMF members access to micro-credits At least 80% of women groups and associations still function well after 3 years	51% of women group and association members belong to the category of poor 100% of program WGMF funds recovered (2012) 30% of WGMF members access to micro-credits 100% of women groups and associations still function well after 3 years
4. Rural finance		
4.1 Support to RCC	At least 50% of program micro-credit borrower were poor, by gender Module MC operation self-sufficiency over 115%	Poverty outreach not monitored, women borrower 9.4% (2012) Module MC operation self-sufficiency >115%
4.2 : Village Credit Fund	80% VCF micro-credit borrowers were poor Module VCF self-sufficiency over 100% >95% of repayment rate 50% of borrowers are women	60% VCF micro-credit borrowers were poor (2012) Module VCF self-sufficiency >100% 100% of repayment rate 58% of borrowers are women
5. 1. Participatory village planning	80% of HHs living in the village are the poor benefiting from the community infrastructure 80% of program-funded infrastructures still function after 3 years	100% of HHs living in the village are the poor benefiting from the community infrastructure n/a
6.1 Institutional support and project management	35% of staffs are female in the program management 100% of IFAD loan disbursement rate	35% of staffs are female in the program management 62% (May 2012)

Outputs (by module, accumulative achievements phase II, 2011-2012)

1. Community Based Natural Resources Management

1.1 Natural Resources Management Training community members successfully concluded Training community leaders satisfactorily done Demand driven community investments carried out Community revolving fund established and operational New technologies successfully piloted	18,400 community leaders and members trained by sector CNY 60,417,000 invested by communities Revolving fund turns over at least 2 times during phase 2 92 villages introduce new technologies demonstration on farmers land 200 sessions of inter-farmers exchange visits organized	8,980 community leaders and members trained by sector CNY 38,762 invested by communities Revolving fund turned for 4 times 57 villages introduced new technology demonstration 110 sessions of exchange visits organized
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2. Agricultural development

2.1 Agricultural dev. module		
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<p>Staffs successfully trained with facilitation skills and update knowledge</p> <p>New technologies/update knowledge successfully introduced</p> <p>New technologies successfully demonstrated - Farmer technicians successfully trained with new techniques</p> <p>Training farmers with new technology successfully done</p> <p>Township extension conditions improved</p> <p>Exchange visits satisfactorily carried out</p>	<p>1,500 Extension staff received training in facilitation</p> <p>1,300 persons acquired new technologies and knowhow</p> <p>130 villages established demonstrations</p> <p>260 farmer technicians trained</p> <p>6,500 farmers trained</p> <p>30 township extension stations equipped</p> <p>600 persons participated in technical exchange and learning</p>	<p>1,485 Extension staff received training in facilitation</p> <p>20,173 persons acquired new technologies and knowhow</p> <p>80 villages established demonstrations</p> <p>495 farmer technicians trained</p> <p>12,296 farmers trained</p> <p>110 township stations equipped</p> <p>389 persons participated in technical exchange and learning</p>
<p>2.2 Organic farming and marketing</p> <p>Buyers for organic products identified</p> <p>Farmer associations for organic production established</p> <p>Post-harvest processing and quality of products improved</p> <p>Certification</p>	<p>10 contracts signed</p> <p>40 organic farmer associations established</p> <p>40 organic demos established</p> <p>10 organic products certified</p>	<p>59 contracts signed</p> <p>59 organic farmer associations established</p> <p>59 organic demos established</p> <p>29 organic products certified</p>
3. Support to women		
<p>3.1 Women associations</p> <p>Women association leaders successfully trained</p> <p>Women associations formed</p> <p>Skill training for WG members carried out</p> <p>Support women IGAs and micro-entrepreneurship</p>	<p>600 leaders trained</p> <p>284 women associations formed</p> <p>30799 association members trained</p> <p>CNY 66143 thousand development funds used to support women IGAs and micro-entrepreneurship</p>	<p>4,020 leaders trained</p> <p>112 women associations formed</p> <p>35,614 association members trained</p> <p>CNY 33,665 thousand development funds used to support women IGAs and micro-entrepreneurship</p>
4. Microfinance		
<p>4.1 Support to RCC</p> <p>Poor household creditworthiness reviewed</p> <p>Training of RCC staffs carried out</p> <p>RCCs operated efficiently</p>	<p>3,500 poverty households accessed to RCC loans</p> <p>120 staffs trained</p> <p>RCC provides CNY 5977 thousand matching funds</p> <p>One set of RCC pro-poor lending material produced</p>	<p>92,694 poverty HH accessed to RCC loans</p> <p>1,832 staffs trained</p> <p>RCC provides CNY 3,363 thousand matching funds</p> <p>One set of RCC pro-poor lending material produced</p>
<p>4.2 Village credit fund</p> <p>Training of beneficiaries carried out</p> <p>VCF successfully Operated</p> <p>Village credit fund received by households</p>	<p>4000 beneficiary trained</p> <p>CNY 1500 thousand of operation fund provided</p> <p>2000 households received village credit fund</p>	<p>8,765 beneficiary trained</p> <p>CNY 7,049 thousand of operation fund provided</p> <p>12,600 households received village credit fund</p>

* RIMS indicator

Appendix 9: Supervision Mission Schedule and Persons Met

Mission Schedule:

5 July 2012	Thu	Mission assembled in Urumqi, XUAR	
6July	Fri	Consultation in Urumqi with provincial PMO. WF, DOF and RCCU	
6 July	Fri	Provincial consultations continued (Agriculture, Environment)	
7 July	Sat	Travel to Yutian County, Hetian Prefecture	
8 July	Sun	Consultations with Yutian county PLG representatives, PMO, WF, RCCU, BOF and IAs. Field visit to townships/villages with module implementation	
9 July	Mon	Consultations with Cele county PLG representatives, PMO, WF, RCCU, BOF and IAs. Field visit to townships/villages with module implementation	
10 July	Tue	Consultations with Moyu county PLG representatives, PMO, WF, RCCU, BOF and IAs. Field visit to townships/villages with module implementation	
11 July	Wed	Travel by road from Hetian to Jiashi county, Kashi prefecture	
12 July	Thu	Consultations in Jiashi, field visit to module implementation	
13 July	Fri	Field visit in Jiashi, travel to Shule county in the afternoon and Consultations with Shule county PLG representatives, PMO, WF, RCCU, BOF and IAs	
14 July	Sat	Consultations and field visits in Shule county	
15 July	Sun	Travel to Shufu county, consultations with Shufu county PLG representatives, PMO, WF, RCCU, BOF and IAs. Field visits in Shufu county	
16 July	Mon	Mission travel by air to Urumqi	CPM & Intern travel to Yili Prefecture
17 -18 July	Tue-Wed	Further consultations and reporting writing	Field visit in Nileke, Yili
19 July	Thu	Pre wrap-up with RPMO	Return to Urumqi
20 July	Fri	Wrap-up	
21 July	Sat	Mission disassemble	

1. List of key person met

Name	Position	Location
Urmqi, Regional Capital		
Zhao Guomin	Director General	XUAR Poverty Alleviation and Development Office (PADO)
Wang Jianling	Secretary of Party Committee	XUAR Women Federation
Chen Lei	Chief Economist	XUAR PADO
Chai Zhanliang	Director of FCPMC	XUAR PADO
Wang Dingyuan	Deputy Director	XUAR Department of Finance (DOF)
Wu Maner	Principal Staff	XUAR DOF
Sun Hua	Vice Chairperson	XUAR Women Federation
Zhou Gaohe	Officer	XUAR DOF
Xiao Wenying	Division Chief	XUAR Women Federation
Li Yuanyuan	Staff	XUAR Women Federation
Zhang Tao	Division Chief	XUAR Rural Credit Cooperative Union

Feng Lei	Officer	XUAR RCCU
Sun Lei	Staff	RPMO
Wang Hui	Staff	RPMO
Kang Jing	Staff	RPMO
Li Xueqin	Staff	RPMO
Hetian Prefecture		
TusongAyi Yidiresi	Vice Chairperson	Hetian Prefecture Women Federation
Cui Feng	Deputy Director	Prefecture Poverty Alleviation and Development Office
Zhang Yi	Deputy Director	Prefecture PADO
He Jun	Officer	Prefecture PADO
Chen Xiaohua	Vice Chairperson	Prefecture WF
Arjiguli	Officer	Prefecture WF
Yutian County		
Wang Feng	Deputy Director	Yutian County PMO
Wang Jiajiang	M&E Officer	Yutian County PMO
Wang Yongqing	Financial Officer	Yutian County PMO
Yao Wanling	Director	Yutian County PMO Finance Bureau
Mi Zhirong	Staff	Yutian County PMO Finance Bureau
Wu Xingjing	Director	Yutian County Agriculture and Livestock Bureau
Zhang Xiaoyue	Director	Yutian Facility Agriculture Bureau
Zhang Jie	Staff	Yutian County Agriculture and Livestock Bureau
Luo Wangyuan	Staff	Yutian County Agriculture and Livestock Bureau
Dong Fuping	Director	Yutian County Forestry Bureau
Fan Xinkui	Deputy Director	Yutian County Forestry Bureau
Liu Degang	Staff	Yutian County Forestry Bureau
Zhao Jiantao	Director	Yutian County S&T Bureau
Wang Zongcheng	Deputy Director	Yutian County S&T Bureau
Ayi Guli	Chairperson	Yutian WF
Yang Mei	Staff	Yutian WF
Zhang Feng	Deputy Director	Yutian County RCU
Xia Hongshan	Staff	Yutian County RCU
Liu Tianzhi	General Manager	Desert Sunshine Cooperation of Yutian
Yang Yuping	Marketing Manager	Desert Sunshine Cooperation of Yutian
Cele County		
Zhu Caibin	Party Secretary	Cele County Government
Tuhutimaimaiti	Vice Governor	Cele County Government
Yu Lunzhang	Director	Cele County Agricultural Bureau
Yi Zhendong	Director	Cele County Forestry Bureau
Ma Jinzhong	Director	Cele County Livestock Bureau
Cha Jun	Director	Cele County S&T Bureau
Xia Hui	Chairperson	Cele County WF
Ji Lili	Deputy Chief	Bositan Township of Cele County
Fu Jianjun	Deputy Director	Cele County Agricultural Bureau
Gan Lu	Director	Cele County Finance Bureau
Yan Zhi	Director	Cele County RCU
Moyu County		
Feng Wunian	Party Secretary	Moyu County Party Committee
Sun Kui	Director	Moyu County PADO
Tang Houqing	Director	Moyu County Livestock Bureau
Li Xinkun	Director	Moyu County EPA
Bahaer	Chairperson	Moyu County WF
Lu Yangkui	Deputy Director	Moyu County Forestry Bureau
Ding Rui	Staff	Moyu RCU
Liang Hong	Staff	Moyu PADO
Zhang Yongbo	Staff	Moyu PADO
Liu Guang	Staff	Moyu PADO
Liu Shui	General Manager	Abudan Foodstuff Co. Ltd.

Kashi Prefecture		
Yan Fengjiang	Director General	Prefecture PADO
Chen Gengshuan	Deputy DG	Prefecture PADO
Deng Lihong	Officer	Prefecture PADO
Arziguli Rouzi	Vice Chairperson	Prefecture Women Federation
Li Jing	Officer	Prefecture Women Federation
Jiashi County		
Zhang Lijiang	Party Sectary	Jiashi County Party Committee
Julaiti Silamu	Vice Governor	Jiashi County Government
He Jinhu	Director	Jiashi County PADO
Zhao Hong	Deputy Director	Jiashi County Finance Bureau
Luan Zuotao	Director	Jiashi County Agro-technology Center
Yi Yunna	Deputy Director	Jiashi County WF
Guo Rushan	Deputy Director	Jiashi County Forestry Bureau
Kadeer Dawuti	Deputy Director	Jiashi County Livestock Bureau
Abulimiti Yasen	Party Secretary	Jiashi County EPA
Wang Bo	Director	Jiashi County Water Resource Bureau
Wang Hongxia	Deputy Director	Jiashi County RCU
Dong Caihong	Financial Officer	Jiashi County PADO
Liang Jie	M&E Officer	Jiashi County PADO
Wang Yunmei	Staff	Jiashi County Livestock Bureau
Wang Zichu	Staff	Jiashi County PADO
Shule County		
Aishajiang Aiheti	Vice Secretary, Governor	Shule County Government
Wang Huiming	Vice Secretary	Shule County Government
Song Xuehua	Executive Vice Governor	Shule County Government
Zhang Lin	Director	Shule County PADO
Ye Xuemei	M&E Officer	Shule County PADO
Zhang Min	Financial Officer	Shule County PADO
Lin Hua	Deputy Director	Shule County Livestock Bureau
Yan Xuefei	Financial Officer	Shule County Livestock Bureau
Zeng Manying	Staff	Shule County Agriculture Bureau
Song Juan	Financial Officer	Shule County Agriculture Bureau
Shen Wenqing	Party Secretary	Shule County Agricultural Economic Management Bureau
Li Dongxiang	Financial Officer	Shule County Agricultural Economic Management Bureau
Luo Chunzi	Deputy Director	Shule County Forestry Bureau
Liu Shilan	Financial Officer	Shule County Forestry Bureau
Ya Hepu	Deputy Director	Shule County Integrated Agricultural Development Office
Yu Changcui	Financial Officer	Shule County Integrated Agricultural Development Office
Zhang Donghu	Deputy Chief	Yamanya Township of Shule County
Pan Jingzuo	Financial Staff	Yamanya Township of Shule County
Xue Feifei	Deputy Chief	Hannanlike Township of Shule County
Zheng Lei	Financial Staff	Hannanlike Township of Shule County
Zhang Zihe	Deputy Chief	Tagaerqi Township of Shule County
Jia Yongwu	Financial Staff	Tagaerqi Township of Shule County
Guli Baha	Chairperson	Shule County WF
Chen Ping	Vice Chairperson	Shule County WF
Azi Guli	Financial Staff	Shule County WF
Xiao Yi	Law Enforcement Officer	Shule County EPA
Wang Yanyan	Financial Staff	Shule County EPA
Alimujiang	Director	Shule County RCU
Song Jingyu	Financial Staff	Shule County RCU
Zou Zhiquan	Deputy Chief	Yafuquan Township of Shule County

Hou Huiling	Financial Staff	Yafuquan Township of Shule County
Xu Xiaoguang	Deputy Chief	Tazihong Township of Shule County
Guzela Guli	Financial Staff	Tazihong Township of Shule County
Li Junlin	Deputy Chief	Yingawati Township of Shule County
Fu Junmei	Financial Staff	Yingawati Township of Shule County
Xu Shaohui	Deputy Chief	Alali Township of Shule County
Zhang Yong	Financial Staff	Alali Township of Shule County
Zhang Yuanxiaong	Deputy Chief	Alapu Township of Shule County
Li Jiatao	Financial Staff	Alapu Township of Shule County
Shufu County		
Wang Chuan	Vice Governor	Shufu County Government
Yan Shuilan	Director	Shufu County PADO
Feng Xinli	Director	Shufu County Livestock Bureau
Wang Keying	Party Secretary	Shufu County Forestry Bureau
Zou Jing	Staff	Shufu County Forestry Bureau
Li Yuying	Deputy Director	Shufu County EPA
Fan Tao	Staff	Shufu County EPA
Abudu Kadeer	Party Secretary	Shufu County Finance Bureau
Kaisaier Yousaiyi	Deputy Director	Shufu County S&T Bureau
Yan Jun	Staff	Shufu County S&T Bureau
Ayiguli Wulayimu	Chairperson	Shufu County WF
Wang Meiyang	Vice Chairperson	Shufu County WF
Liang Xin	Deputy Director	Shufu County Horticulture Center
Huang Bin	Staff	Shufu County Horticulture Center
Zhang Qiong	Deputy Director	Shufu County RCU
Tulajiang	Staff	Shufu County RCU
Maimaiti Mingsilamu	Director	Shufu County Grassland Station
Wang Naili	Staff	Shufu County PMO
Sun Ming	Staff	Shufu County PMO
Pairidan Muyaoliwasi	Staff	Shufu County PMO

Appendix 10: Summary of implementation support provided by IFAD

Field support	Dates	Main actions	Outputs	By whom
Support mission on M&E and KM	2-7 June 2012	(i) reviewed M&E system and suggested improvements; (ii) brainstorm on program KM and initiated Km strategy for MRDP	BTOR	IFAD ICO support mission, Ms. Wang Weijing

Appendix 11: Audit Log

1. Summary Audit Table (Audit 2008-2011)

Financial Year	Audit Observations as per Audit Report		Audit Observations Settled		Audit Observations Outstanding	
	Numbers	Value (CNY)	Numbers	Value (CNY)	Numbers	Value (CNY)
2008	8	7,526,166.10	8	7,526,166.10	0	0
2009	5	491,417	2	491,417	0	0
2010	2	5,088,499.69	2	5,088,499.69	0	0
2011	2	8,506,600	1	2,872,200	1	5,634,400
Total :	17	21,612,682.79	6	15,978,282.79	4	5,634,400

2. Detailed Audit Table

Sl. No.	Financial year	Class: Serious/general	Audit Ref.	Audit observation	Total Amount per Observation (CNY)	Action taken by the project /PMU(Reply of para wise)	Present status (Auditors Validation Result)	Total amount not settled/outstanding (CNY)	Remarks
1	2011	general		Slow flow of funds from county BOFs to PMOs were identified in Shufu County and Jiashi County of Kashi Prefecture.	2,872,200	Slow flow of funds from the county BOF to PMO not in accordance with government rules, which causes a slow implementation of the project, particularly in Shufu County and Jiashi County of Kashi Prefecture.	Settled	0	
2	2011	general		Slow processes of replenishment from county PMO to IAs are identified at Shule County and Jiashi County of Kashi Prefecture.	5,634,400	Slow process of replenishment at county PMO in Kashi Prefecture, particularly Shule County PMO (about USD797k in which includes revolving fund of USD78.5k) and Jiashi county PMO (about USD90k)	Partly settled	5,634,400	
		Sub Total:			8,506,600			5,634,400	