

# profile

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## Rapid change in China's Qinling mountains

The objective of the Qinling Mountain Area Poverty-Alleviation Project in China was to help achieve sustainable increases in on- and off-farm productivity and offer greater access to economic and social resources such as education, health, sanitation and social networks. The target group comprised 310,000 households in the 128 townships of the nine poorest counties in north-west Hubei and south-east Shaanxi provinces. The project combined support for agricultural development, rural infrastructure, rural financial services and social development; it also helped to establish integrated local government structures at the provincial, prefecture, county and town levels, which facilitated coordination of activities. The Government of China's commitment and strong sense of ownership greatly contributed to the success of the project and its potential for sustainability.

### Main findings

The Office of Evaluation (OE) of IFAD undertook an evaluation of the project in 2008 and found that project support was relevant and timely inasmuch as it was flexible to local needs and made an important contribution to developing the target areas. During implementation, the Government introduced sweeping rural reforms, including reduced taxes, larger agricultural subsidies and changes in local government, including the merger of villages and towns – all of which influenced the pattern of farming, stimulated on-farm investments and led to increased commercial farming. Before the project, mountain communities had long been isolated, and often experienced food shortages at certain times of the year. However, all the villages visited by the evaluation mission reported that, by the end of the project, there had been major improvements in community nutritional status; that the incidence of water-borne diseases had decreased; and that their lives had improved in many other ways, such as the reduced amount of time spent collecting fuel wood.

Project implementation took place at a crucial time of change in rural China, when large-scale migration from the project areas created many opportunities and challenges for families seeking employment in towns and cities. The project was effective because it helped families to access credit funds for the purpose of securing off-farm employment. Family members remaining behind on their farms benefited from improved infrastructure and social facilities; training in agriculture and skills development; and access to credit for small-scale farm activities.

Although the project made efficient use of resources, more could have been done at an early stage to build up a better knowledge-management and information system to assist in decision-making. The rapidly-evolving situation in China meant that poverty targeting, which was appropriate at project start-up, became more difficult to apply in later years. Within the



Flourishing crops in the Qinling mountains

Photo: Dorothy Lucks

### PROJECT DATA

#### Project costs

Total: US\$106.3 million

- IFAD loan: US\$28.9 million
- Government of China: US\$62.6 million
- Beneficiaries: US\$4.1 million
- World Food Programme: US\$10.4 million

#### Cooperating Institution

- United Nations Office for Project Services

#### Loan Executing Agencies

- Provincial Government of Shaanxi
- Provincial Government of Hubei

#### Key dates

- Loan approval: December 1999
- Loan effectiveness: August 2001
- Project completion: March 2008

changing economic context, the employment circumstances of households often changed frequently as job opportunities emerged and faded, as illness affected the ability of people to work and as different social pressures caused people to move away from, or back to, the project areas. Local employment levels also fluctuated, with most of the labour undertaken by women, children and older people. Families were separated, which affected traditional decision-making arrangements. The likely long-term impact of migration on the community has not yet been fully understood.

While extremely valuable to the targeted villages, project investments were not evenly spread. Benefits were greater in villages where investments were sufficient for multiple, synergistic inputs; whereas villages that accessed funds only for the purpose of assisting the main village centres, and/or where greater focus was placed on a single project intervention, did not achieve the same level of development. And in some areas, remote village households were completely overlooked by the project.

## Key recommendations

- **Increased flexibility in project design.** The pace of change in rural China is very rapid. Project design, implementation and definition of poverty groups should therefore more fully recognize the country's evolving situation and the changing needs of project-area households. In particular, credit support should allow for a mix of credit sources and be tailored to the capacity of potential borrowers, such as community development funds, small group lending for the lowest-income groups, collective credit mechanisms for cooperative activities, and banks for larger enterprise loans.
- **Support to employment generation.** Migration will continue to have a major influence on rural areas over the short term, but long-term changes may lead to other changes and challenges. Should a further phase of the project be proposed, the characteristics of migrant labour and household attitudes to external employment opportunities should be carefully analysed. Consideration may also be given to providing special credit facilities to support migration, or organizational support for workers' rights. It would be also worthwhile to consider the impact that such a project might have both on agriculture production and on the community resilience of people remaining in villages.
- **Scale of operations.** A clearer village investment mechanism will be needed in order to achieve both economies of scale and optimum short- and long-term benefits. The project's participatory decision-making approach could well be replicated, but with greater feasibility analysis and more stringent approval processes for large investment proposals offering employment potential. Additional capacity-building should be considered for village implementation groups that encountered difficulties in applying for credit.
- **Monitoring and evaluation.** IFAD must work with the Government of China to install an effective monitoring and evaluation system at the start-up of any new project. The generation of quality data would be a valuable resource both for the Government and for IFAD in terms of providing greater insights into the effect of project investments on the economy and social well-being in the project areas, and, more broadly, with regard to key factors for the success of any poverty reduction interventions in China.



### Further information:

People's Republic of China, Qinling Mountain Area Poverty-Alleviation Project, Interim Evaluation, Report No. 2146-CN, February 2010, ISBN 978-92-9072-125-3, Office of Evaluation, IFAD, Via Paolo di Dono 44, 00142 Rome, Italy. The full report and profile are available online at [www.ifad.org/evaluation](http://www.ifad.org/evaluation); email: [evaluation@ifad.org](mailto:evaluation@ifad.org).

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