

Project Completion Report Validation

Yunnan Agricultural and Rural Improvement Project

People's Republic of China

Date of validation by IOE: January 2020

I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Asia	Total project costs	94.0		92.1	
Country	People's Republic of China	IFAD loan and percentage of total	46.7	49.7%	47.3	51.3%
Loan number	885	Borrower (National Government)	47.3	50.3%	44.8	48.7%
Type of project (subsector)	Agricultural Development					
Financing type						
Lending terms*	Ordinary					
Date of approval	13 Dec 2012					
Date of loan signature	31 Jan 2013					
Date of effectiveness	31 Jan 2013					
Loan amendments		Number of beneficiaries	Direct: 100,000 households 400,000 individuals**		Direct: 139,951 households 189,273 individuals ---- Indirect: 416,715 individuals	
Loan closure extensions		Project completion date			31 Mar 2018	
Country programme managers	Matteo Marchisio Sana Jatta Thomas Rath	Loan closing date			30 Sep 2018	
Regional director(s)	Nigel Brett Hoonae Kim	Mid-term review			30 Apr 2016	
Project completion report reviewer	Nuri Niyazi	IFAD loan disbursement at project completion (%)			92.7%	
Project completion report quality control panel	Chitra Deshpande Fumiko Nakai	Date of the project completion report			17 Sep 2018	

* Modified ordinary Terms and conditions, i.e. at a variable interest rate established semi-annually by IFAD, with a maturity period of eighteen years including a grace period of five years.

** The Design Report (2012) projected the number of households and individual beneficiaries benefiting from the project to amount to 194,100 and 1,007,300.

Source: Project Completion Report (2018); Design Report (2012).

II. Project outline

1. **Introduction.** The Yunnan Agricultural and Rural Improvement Project (YARIP) was implemented over five years in the People's Republic of China. YARIP aimed to improve the livelihood and income-generating opportunities of poor and vulnerable groups in Yunnan Province through an integrated agricultural development approach. The project received Executive Board approval on 13 December 2012 and became effective upon the signing of the financing agreement on 31 January 2013. The project was completed on 31 March 2018 and the loan was closed on 30 September 2018, as scheduled.
2. **Project area.** The project area was located in the mountainous Yunnan Guizhou Plateau, where subsistence farming, including livestock raising, collection of non-timber forest products and migrant labour, was the main means of livelihood. The Yunnan Provincial Government proposed nine project counties within its Provincial Poverty Alleviation Strategic Plan (2011-2020), of which five¹ were nationally classified poverty counties, and the remaining four² "poverty-stricken" counties.³ The total population in the nine project counties stood at 2.64 million in 2010, and poverty incidence was at 21.1 per cent. The average per-capita farm size was only 0.10 hectares, and that in Fuyuan county was as small as 0.04 hectares. Poor and vulnerable groups accounted for 63.2 per cent of the total population. Overall, ethnic minorities accounted for about 37 per cent of the total population in the target counties.
3. It should be noted that rapid changes with regard to rural development and poverty alleviation occurred in the country, and indeed in Yunnan province, during the five years of project implementation. For instance, government statistics presented in the Project Completion Report (PCR) show a drop in poverty incidence in the project area at large from 31 per cent in 2012 to 20 per cent in 2017. This is important to bear in mind in the context of attributing any observed rural poverty impacts to YARIP (see below section "Rural poverty impact").
4. **Project goal, objectives and components.** The goal of YARIP was to empower the rural poor and vulnerable groups to benefit from economic growth, enhanced food security and strengthened resilience, thus contributing to the government efforts towards rural development and poverty reduction. This was to be achieved through the project objective of improving the livelihood and income-generation opportunities for poor and vulnerable groups in project areas through integrated approaches combining project interventions in rural infrastructure, agricultural production, value chain development and market access. The intended outcomes were: (i) to improve living conditions for the rural poor by developing community infrastructure (roads, water supply systems, sanitation and other facilities); (ii) to improve agricultural productivity through irrigation and farmland development, improved access to services and development of crops and livestock; and (iii) to improve market access and strengthen value chains for the rural poor.
5. The project had four main components: **Component 1 – Community infrastructure improvement (US\$30.986 million, 33.0 per cent of total project cost):** this component was to: (i) rehabilitate and develop village roads, drinking-water supply systems, and sanitation and other facilities (drainage ditches, waste treatment tanks, etc.); and (ii) establish and build the capacity of infrastructure maintenance groups (IMGs) to ensure the sustainability of project-constructed facilities. **Component 2 – Agricultural productivity enhancement (US\$35.650 million, 37.9 per cent of total project cost):** this component focused on: (i) farmland infrastructure improvement; (ii) annual crop production modules (varieties,

¹ Lanping, Lushui, Fugong, Gongshan and Fuyuan Counties.

² Mangshi, Shizong, Zhanyi and Xinping Counties.

³ It should be noted that the project documentation (notably the Design Report and PCR) does not provide a definition of the term "poverty-stricken", to understand the targeting criteria and the distinction from nationally-designated poverty counties.

cropping patterns and cultivation technologies); (iii) livestock production and fishery modules (breeds, feeding conditions, training and provision of veterinary services); (iv) extension-service strengthening modules; and (v) community capacity-building modules. **Component 3 – Value chain development and market access (US\$17.594 million, 18.7 per cent of total project cost)**: this component aimed to raise incomes of poor rural households by linking them to remunerative markets, with an emphasis on niche products of ethnic minority farming systems that could strengthen and add value to indigenous biodiversity and cultural heritage. The priority commodities foreseen were: annual and perennial cash crops, Chinese medicinal plants, indigenous livestock, and crafts and textiles. **Component 4 – Project coordination and management (US\$9.769 million, 10.4 per cent of total project cost)**: this component was to establish an effective management and coordination structure in project management offices (PMOs) at provincial, county and township levels.

6. **Target group.** The project was expected to cover 45 townships in nine counties, selected for their particularly severe poverty status. At design, 24 per cent of the population in these townships was categorized as poverty-affected and 58 per cent as vulnerable.
7. Adopting a geographic targeting approach, the project aimed to benefit all rural households in the project area, totaling about 194,100 households, as per the Design Report and the PCR. The PCR indicates in its narrative that 78,900 households (or 337,400 individuals) were to be targeted specifically in the project villages, while in the initial summary table in the PCR a target of 100,000 households (or 400,000 individuals) is listed.
8. In addition, households in remote villages (typically poorer than those closer to the main roads) were to be prioritized in the selection of beneficiaries (notably over farmers categorized as 'better-off'⁴ in view of their higher annual net income), as well as households classified as poor, who were economically active, physically able and capable to participate in project activities.
9. Women, specifically women-headed households, and ethnic minorities were also to receive special attention, in view of being socio-economically or structurally disadvantaged. To this end, women's participation notably in technical training was to be specifically tracked (with a target of 40 per cent women among all trainees), while ethnic minorities were to be reached by conducting sensitization in local languages and, again, by systematically tracking the participation of beneficiaries from ethnic minorities in the various project activities.
10. **Financing.** The total project cost was US\$92.085 million, constituting 98 per cent of the total project budget. The IFAD loan disbursed US\$47.306 million, corresponding to 51.3 per cent of the actual total cost. Financier contributions are shown in Table 1 and planned (approved) versus actual (disbursed) costs per component with disbursement rates in Table 2.
11. **Implementation arrangements.** The Department of Agriculture took the lead in overall project management and coordination. The Ministry of Finance, as representative ministry of the borrower, assumed overall oversight of project implementation. Provincial Departments of Finance and county-level Bureaux of Finance (BOFs) were responsible for project financial management, while provincial PMOs embedded in the Department of Agriculture structure were in charge of management and coordination of operational implementation.

⁴ "Better-off", "vulnerable" and "poor" households were categorised based on their annual per-capita net income levels, i.e. (i) above US\$562.2; (ii) between US\$170.2 and US\$562.1; and (iii) US\$170.1 or lower, respectively.

Table 1
Project costs (US\$ '000)

<i>Financier</i>	<i>Appraisal</i>	<i>% of appraisal costs</i>	<i>Actual</i>	<i>% of actual costs</i>	<i>% disbursed</i>
IFAD	46 700	49.7%	47 306	51.3%	101%
Government	47 299	50.3%	44 779	48.7%	95%
Total	93 999	100%	92 085	100%	98%

Source: PCR (2018).

Table 2
Component costs (US\$ '000)

<i>Component</i>	<i>Appraisal</i>	<i>% of appraisal costs</i>	<i>Actual</i>	<i>% of actual costs</i>	<i>% disbursed</i>
Community Infrastructure Improvement	30 986	33.0%	32 439	35.2%	105%
Agricultural Productivity Enhancement	35 650	37.9%	39 675	43.1%	111%
Value Chain Development and Market Access	17 594	18.7%	16 348	17.8%	93%
Project Coordination and Management	9 769	10.4%	3 623	3.9%	37%
Total	93 999	100%	92 085	100%	98%

Source: PCR (2018)

12. At county level, project leadership was executed by the Project Leading Groups (PLGs) established by respective local governments. PLGs were led by a senior official of the local government and composed of representatives from local BOFs, Development and Reform Commissions and line agencies such as Bureaux of Agriculture, Water Resources, Transport, State Electricity Grid, Environmental Protection, Poverty Alleviation Offices, auditors and technical partners such as the Women's Federation. Project implementation was devolved to county PMOs to ensure sustainability, with the provincial PMO performing overarching functions of planning, coordinating, monitoring and reporting. YARIP worked with Village Implementation Groups (VIGs) established in all the project administrative villages to assist coordination and implementation at village level.
13. **Changes and developments during implementation.** Minor adjustments were made during implementation to the project design and funding allocations to activities in response to the changing implementation context, in that the government's investment priorities for agricultural and rural development shifted towards investments in infrastructure, value chains and sector development (see below section 'Project adjustments during implementation').
14. **Intervention logic.** The project design intended to promote the access of poor villagers (both women and men) to information and knowledge, natural resources and their sustainable use, appropriate financial services, and remunerative and quality premium markets. The underlying rationale of YARIP was to add value to government programmes by helping identify and develop innovative and effective strategies that could be scaled up. The project design therefore integrated various activities aimed at achieving a synergistic effect for poverty reduction in the project area — linking together the improvement of community productive assets, the development of market-oriented agricultural products and the enhancement of farmers' access to technical and information services and to remunerative markets.

III. Review of findings

A. Core criteria

Relevance

15. **Relevance of objectives.** YARIP was designed to align its goal, objectives and investments with national poverty reduction strategies and initiatives underpinned by the 12th and the 13th Five-Year Plan for National Economic and Social Development (2011-15 and 2016-20, respectively). Its intervention framework centred on a strategy for supporting vulnerable groups that adopted innovative intervention approaches (i.e., new to the local implementing agencies) and aimed to improve access to resources and opportunities for the rural poor. The intervention design of YARIP responds to the Government's strategy of development-driven poverty reduction by channelling its investments towards consolidating collective and individual socio-economic physical assets, enhancing food security and self-sufficient farming at household level, and exploring better opportunities for income generation and improved livelihoods for poor women and men. The overarching objective of the 13th Five-Year Plan of poverty reduction was promoted by way of YARIP's emphasis on agribusiness enterprise development that included production, processing and marketing of important local products through farmer cooperatives and agri-enterprises.
16. Relevance of the project objectives vis-à-vis IFAD's strategies and policies was ensured by alignment with the IFAD Strategic Framework 2011-15, with specific reference to improved natural resources and economic asset bases and their accessibility, income generation and decent work opportunities, capacity building of beneficiary-governed grassroots organizations and enhanced service support systems. YARIP responded particularly to the Strategic Objective of rural poor people sustainably using enhanced productive natural and economic assets and improved technology and advisory services in a changing environment and market conditions. The project was further aligned with IFAD's Country Strategic Opportunities Programme 2011-15 in China (followed by continued alignment with the subsequent 2016-20 Programme) and reflected IFAD's continued support to enhancing income opportunities and increasing resilience, with greater emphasis on improving access to markets and value chains, and resilience to climate change.
17. **Adequacy of project design.** The PCR narrative describes a number of weaknesses in the project design, as follows: (i) the capacity of implementing agencies to implement more innovative project elements, notably the value chain and market access activities, was overestimated, which resulted in implementation delays compounded by the lack of delivery of the designed technical assistance to these agencies; and (ii) unit costs for the production modules under Component 3 ('Value chain development and market access') were underestimated, contributing to shortfalls in reaching the delivery target.
18. **Targeting strategy.** YARIP adopted a broad geographic targeting approach aimed to benefit all rural households in the project area (see above section "Target group"), while priority in the selection of beneficiaries was to be given to poor households, ethnic minorities, women and women-headed households. With the exception of planned sensitization efforts in local languages and the tracking of minority beneficiaries and female participation in technical training activities, adequate mechanisms to ensure the successful targeting and inclusion of the priority groups were by and large not described at design, neither mentioned in the PCR.
19. **Project adjustments during implementation.** As described above in the section titled "Changes and developments during implementation", the government's investment priorities had shifted in the course of the project implementation period towards investments in infrastructure, value chains and sector development. Furthermore, a changing implementation context was also described in the PCR, in that needs emerged in the target areas in particular for supporting cooperative and

value chain development. The PCR assessed that YARIP did not undertake to make any significant adaptations to the project design in response to the shifting context and emerging challenges. Thus, notably, the implementation of certain project activities became difficult, especially in terms of timely mobilization of matching funds at county level. It was only during the mid-term review (MTR) mission in 2016 that a number of minor design adjustments were made, based on consultations with PMOs and implementing agencies. Reduced investments in social welfare capitalization were thus traded off with increased investments in productive and community assets, while no reallocation of expenditure categories occurred as a result. The PCR considered these changes to be adequate yet insufficiently responsive to the above-described emerging needs.

20. This PCR rates the relevance of YARIP as *moderately satisfactory (rating 4)*, in agreement with the PMD rating.

Effectiveness

21. The total number of beneficiary households reported in the PCR to have been reached during YARIP implementation was 139,951, and that of individual beneficiaries amounted to 189,273; this latter figure is, however, inconsistent with the total number of individual beneficiaries reported in the 2017 Result and Impact Management System (RIMS) survey, namely 236,411. The number of indirect beneficiaries was reported in the PCR to be 416,715. Against the stated targets of 78,000 or 100,000 households and 337,400 or 400,000 individuals (see above section 'Target group' for details on the multiple target numbers), the reported beneficiary numbers would translate to achievement rates of 179.4 and 140.0 per cent, respectively, for households, and 56.1 and 47.3 per cent for individual beneficiaries.
22. The above inconsistent achievement rates between individual and household beneficiary numbers reached, as well as the discrepant individual beneficiary numbers reported in different project documents (notably PCR versus RIMS, but also within the PCR in different sections of the narrative), bring into question the reliability in the targeting of beneficiaries, specifically in view of the inadequate targeting strategy employed (see above sections "Target group" and "Targeting strategy"). While aiming to prioritise remote villages, poor farmers (specifically 'registered' poverty households), ethnic minorities, women and women-headed households, the following results were achieved: (i) only 17,438 of all beneficiary households were reported to be registered poverty households, constituting 12.5 per cent of the total – the PCR described that an overall drop in poverty incidence in Yunnan over the course of the project implementation period contributed to the reduced number of targeted poor households; (ii) ethnic minorities accounted reportedly for 63.7 per cent of all project beneficiaries, although it must be considered that the PCR referred to the totality of beneficiaries (i.e. both direct and indirect) in this context, not the selected, direct beneficiaries of YARIP – the proportion of direct beneficiaries from ethnic minorities was not reported; (iii) women represented 46.8 per cent of all participants in project activities and 45.3 per cent of farmers receiving technical training (exceeding the target of 40 per cent); and (iv) no mention appears in the PCR on the selection of women-headed households.
23. **Delivery of outputs.** A detailed table summarising YARIP's output delivery by component is presented in Annex III. The outputs enumerated in the PCR were achieved to varying completion rates, with many under Components 1 and 2 ('Community infrastructure improvement' and 'Agricultural productivity enhancement') meeting or exceeding their respective appraisal targets, in some cases by a considerable margin. On the other hand, varying achievement rates were obtained under Component 3 ('Value chain development and market access'), with an underachievement of many activities having resulted from low implementation capacity with regard to innovative interventions, inadequate technical support and budget constraints, according to the PCR.

24. **Objective 1: Improved living conditions for rural poor by developing community infrastructure.** This project component aimed to improve living conditions by rehabilitating and developing: (i) rural roads; (ii) drinking water supply systems; and (iii) sanitation and other facilities; as well as by (iv) establishing and building the capacity of infrastructure maintenance groups. As per the Design Report, attainment of the objective of improved living conditions was to be indicated by: (a) percentage reduction of beneficiaries' weekly time efforts in travelling to markets and collecting drinking water, respectively; (b) the number of households reporting improved sanitation and other community environmental facilities; and (c) annual operations and maintenance (O&M) undertaken by IMGs.
25. As indicated in the above section titled 'Delivery of outputs', delivery rates for most sub-component activities were high, fully met or exceeded, with the exception of only a few interventions, notably water ponds, temporary bridges, water pipelines, waste treatment tanks, and delivery of training on infrastructure maintenance. The PCR explains that these shortfalls were primarily the result of rural development initiatives by the government in target locations, either rendering certain project activities redundant or irrelevant, with YARIP substituting these by way of a commensurate intensification of other, more relevant project activities. It is not clear from the PCR whether these adjustments were in consequence of the government's or communities' shifting development priorities or a weakness of the project design. With regard to the infrastructure O&M activities, while most of the intended IMGs were indeed formed, the apparent shortfall in training delivery was contended by PMOs to be an issue of under-reporting and lack of documentation, as these activities used government programme resources and hence did not incur any expenditure for YARIP. In view of this explanation in the PCR, O&M training activities may appear to have been redundant to a large extent, as these were described to have been implemented and financed by a government programme.
26. The PCR stated that the quality of infrastructure development by YARIP was satisfactory according to a specialist working paper and PCR mission field visits, as well as Supervision and Implementation Support mission reports. This included roads, drinking water systems and sanitation facilities. All the facilities were found to be functioning and reportedly provided the desired services and functions to project beneficiaries.
27. The evidence for effectiveness provided in the PCR comprised the considerable output achievements and an indication of overall satisfactory infrastructure quality. However, the PCR does not report on the indicators intended in the logical framework for Component 1, wherefore the extent to which these might have been achieved by the project remains unknown; these indicators comprise: (i) the time/effort for travelling to markets and collecting water; (ii) households reporting improved sanitation and other facilities; and (iii) annual O&M undertaken by IMGs.
28. **Objective 2: Agricultural productivity enhancement.** This project component aimed to enhance household food security and cash income through productivity enhancement, specifically: (i) farmland infrastructure improvement; (ii) increased productivity of cash crops and livestock/fisheries, respectively; (iii) improving agricultural extension; and (iv) supporting the construction and improvement of community cultural centres. As per the Design Report, attainment of Objective 2 was to be indicated by: (a) percentage of trained farmers adopting recommended technologies; (b) crop yield increases in irrigated and non-irrigated areas, respectively; (c) annual O&M for irrigation and drainage systems carried out by water user associations (WUAs).
29. The PCR narrative section on effectiveness provided detailed output figures for Component 2. As with Component 1 above, delivery rates for most activities (farmland improvement, irrigation and drainage facilities, on-farm tracks and community capacity building) were high, fully met or exceeded against their appraisal

targets, at times by a considerable margin. Delivery was underachieved for only three activities, namely water distribution boxes, technical training on irrigation and drainage, and extension modules. The PCR explained that these shortfalls reflected the government's intensified support to rural development, which replaced some of the designed activities.

30. The satisfactory infrastructure quality described above for Component 1 also held true for the community cultural centers, and irrigation and drainage canals constructed under Component 2. The PCR further indicated that the improved technologies disseminated by YARIP facilitated the overall advancement of farming practices and farming structure optimization in the project area, which was not, however, substantiated by evidence.
31. Notably, the PCR stated that the irrigation infrastructure and on-farm roads transformed agricultural areas in one project township (Caiyun) to high-yield cropland, increasing irrigated farmland by some 467 hectares; in turn, combined with innovations introduced by the extension services with YARIP support, this translated to an increase in per-hectare paddy yield of ca. 8 per cent.⁵ The source for these data were, however, not provided, neither did the PCR narrative section on 'Effectiveness' indicate how productivity and production levels were impacted in other project townships (these data were nonetheless duly detailed in the PCR narrative section on impacts and are discussed in the according PCR section below titled "Rural poverty impact"). In Caiyun, the increase in crop production attracted investors from Shenzhen, setting up standardized vegetable production and reportedly connecting the YARIP-established farmer cooperative (which included all registered poor farming households) to market outlets in large cities, as well as overseas. While the PCR describes the cooperative as a robust entity bringing sustained benefits to the poor and vulnerable in the villages, the provision of further information on the benefits and their evidence would have served to substantiate this important impact claim.
32. Lastly, in the PCR narrative section on impacts, the project endline survey reportedly demonstrated that 97.6 per cent of farmer households adopted the improved technologies disseminated by the project. Thus, most of the intended outcome indicators can be considered to be adequately reported on, with the exception of the conduct of O&M for water management structures by WUAs.
33. **Objective 3: Value chain development and market access.** This project component intended to assist county-level implementing agencies to provide effective support to both cooperative and value chain development modules. As per the Design Report, attainment of Objective 3 was to be indicated by the percentages of:
(a) operational cooperatives and project value chains (target of 90 per cent); and
(b) cooperative members reporting increased income through cooperatives (target of 80 per cent).
34. Under Component 3, mixed output levels were achieved. While targets for women groups were reached, those for support to the modular approach, biodiversity advisory groups, federation of cooperatives and market research were undershot by a large margin; the production modules under this component also fell short of their intended targets. The PCR explains that this underachievement was the result of:
(i) the lack of understanding by implementing agencies of the innovative value chain and market access activities; (ii) delayed and limited technical support to the implementing agencies in implementing these project features; and (iii) increased unit costs and shortages of time and resources available before project completion.
35. Considering the above-mentioned intended outcome indicators, the PCR narrative highlighted the numbers of cooperatives receiving project support and of value chain modules implemented; these are equivalent to 86.5 and 42.8 per cent, respectively,

⁵ The increased yield was reported to amount to 8.87 tonnes per hectare and that this constituted an increment of ca. 0.66 tonnes per hectare.

vis-à-vis targets of 90 per cent. Reportedly, at the final stakeholder workshop beneficiaries in ca. 60 per cent of the project counties perceived cooperative support and value chain development as an important approach to sustainably addressing rural poverty issues; counties also reported that the performance of ca. 80 per cent of the YARIP-supported cooperatives and value chain activities were perceived as satisfactory. However, the outcome indicator target of income gains through cooperatives was not directly reported against.

36. This PCRV rates the effectiveness of YARIP as *moderately satisfactory (rating 4)*, in agreement with the PMD rating.

Efficiency

37. The PCR reported low output delivery rates in the first 3.5 years of project implementation (around 50 per cent from 2013 to 2015 and 41 per cent in 2016, with several counties essentially inactive that year), largely attributable to the following factors: (i) delayed disbursement of prefecture and county matching funds; (ii) implementing agencies' limited technical understanding of and implementation capacity for the modular approach and value chain development, compounded by inadequate training and technical support to these agencies; (iii) duplication of production modules in two technical components in the project design, which led to confusion on the part of the implementing agencies regarding appropriate budgeting, implementation and reporting; and (iv) lack of adequate and capable staff dedicated to supporting project implementation at county level.
38. At the MTR, an agreement was reached on parallel financing to make up the shortfall of the committed matching funds of prefecture and county governments, and activity implementation rates soared to 103 per cent during 2017 and 2018.
39. **Project management costs.** Actual project management costs for YARIP at project closure amounted to only 3.9 per cent of the total project cost (against budgeted costs of 10.4 per cent at appraisal), which is certainly low in consideration of cost levels typically incurred for IFAD-financed projects. The PCR does not provide an explanation for the substantively lower-than-budgeted project management costs. Given this underspending on project management, the question arises why the unspent budget was not used to shore up technical expertise that could have enhanced the weak capacity in the PMOs (as mentioned in the PCR), such as implementation capacity for value chain and market access activities.
40. **Economic rate of return.** The economic rate of return for YARIP at completion was calculated in the PCR to be 23 per cent (against an appraisal target of 24 per cent), with a positive net present value and a benefit-to-cost ratio of 1.71, which the PCR viewed as an indication that the project investments were robust and sound.
41. **Time lapse between approval and effectiveness.** YARIP had a short time lapse between the project's approval and effectiveness dates, i.e. 1.5 months. This is substantially shorter than typically observed for IFAD-financed projects, but in line with projects in the China portfolio.
42. This PCRV rates the efficiency of YARIP as *moderately satisfactory (rating 4)*, in agreement with the PMD rating.

Rural poverty impact

43. Data showcased in the PCR in support of the project's claims of rural poverty impact were derived primarily from the baseline, midline and endline surveys of RIMS, as well as relevant county-level government statistics. In this regard, the PCR did not provide sufficient information on the design of the surveys (e.g. sample size, sampling

strategy, inclusion of without-intervention households)⁶ that would have allowed an assessment of the level, strength and robustness of the impact evidence presented.

44. In consequence, the attribution of the observed changes in rural livelihoods to YARIP is complicated, particularly in view of the general rapid decline in poverty incidence that was observed in the country, including in Yunnan, during the project implementation period (see above section titled "Target area"). Apart from the unknown level of data aggregation, the PCR rightfully points out that YARIP achievements must be viewed against the background of massive government investments in rural development and poverty reduction, to which IFAD project investment was complementary. The PCR affirms that YARIP's contributions can still be recognized when comparing the difference between project and non-project areas of similar development context; however, examples or further details of such 'with'-and-'without' comparisons are not provided.
45. **Food security and agricultural productivity.** The PCR presents the following impacts with regard to food security and agricultural productivity: (i) government statistics showed a 53-per-cent increase in per-household grain production⁷ in the project area during the 2012-17 period; (ii) the project endline survey indicated that an impressive improvement occurred in farmer household food security and that no beneficiaries in 2017 experienced a hunger season;⁸ the survey further revealed (iii) a 138-per-cent upsurge in the per-household production of cash crops (notably vegetables);⁹ and (iv) a 260-per-cent increase in livestock production between 2012 and 2017 in project areas. The PCR further considered that (v) the increased production of protein-rich animal products and nutrition-rich vegetables could well be assumed to have contributed to a better nutrition balance at household level; and that (vi) the income gains among beneficiaries (see below section on economic impacts) would have contributed to the improvement of food security of households through a stronger purchasing power to access food in greater quantity and of better quality and nutritious value.
46. In addition, at the top of its impact section, the PCR highlights government statistics indicating a drop in malnutrition prevalence among children under five years of age by a range of 22 to 55 per cent between 2013 and 2017 (in counties where comparative data are available). This is an important impact statement to make in view of malnutrition prevalence being one of two key indicators for YARIP's overall goal of rural development and poverty reduction. Lastly, health impacts were mentioned in a separate PCR subsection, namely improved health of women and children, including girls, as a result of productivity gains and safe water supplies.
47. Notwithstanding the impressive results obtained in the impact domain of food security and agricultural productivity, the strength and robustness of the impact evidence are weakened by the limited information available on the survey design and the nature of the government statistics (as explained at the beginning of this PCR section). The showcased project impacts must therefore be viewed in consideration of this limitation.
48. **Household incomes and assets.** The baseline and endline surveys conducted by the project, in combination with county-level government statistics, showed an average increase in the beneficiaries' per-capita income levels by a staggering 176.6 per cent¹⁰ in the course of the implementation period (i.e. between 2012 and 2017), contrasting with a 65.2-per-cent increase¹¹ for farmers in poverty counties in general during that

⁶ With exception of the baseline survey, in which 990 households were sampled by random selection (at village and household level).

⁷ From 1,969 kilograms in 2012 to 3,018 kilograms in 2017.

⁸ It should be noted that the baseline survey report did not measure or report any hunger season or acute food insecurity, wherefore the absence of beneficiaries experiencing such in 2017 is not an achievement of the project.

⁹ From 2,410 kilograms in 2012 to 5,734 kilograms in 2017.

¹⁰ From US\$604.6 in 2012 to US\$1,672.3 in 2017.

¹¹ From US\$677.5 in 2012 to US\$1,119.7 in 2017.

same period. The income growth rate for project beneficiaries was thus some 111.4 percentage points above that of non-beneficiaries. The endline survey further revealed that 100 per cent of beneficiary households reported an increase in their household assets, such as improved housing, a greater number of household appliances and vehicles, as well as improvement of household energy consumption.¹² The PCR noted that the project surveys did not apply the standard IFAD methodology for calculating the household asset index.

49. Lastly, in a separate subsection of the PCR narrative, limited impact of YARIP on market access was noted, owing to the smallness of allocated project resources and underachieved physical targets in support of cooperatives and value chains.
50. **Human and social capital and empowerment.** The PCR presented the following impact evidence in support of human and social capital and empowerment: (i) poor farmers, including women and minority groups, were empowered to participate in the process of village-level decision-making through the VIGs and other grassroots organizations; (ii) the above beneficiary groups gained knowledge and skills from the project training and demonstrations, leading to more active involvement in agriculture production and other income-generating activities; the PCR mission observed that (iii) this increased financial capitalisation often resulted in heightened social status of beneficiaries, and that (iv) their management skills and awareness, enhanced through YARIP capacity-building activities, empowered them to charter their course of community development; (v) project support and enlistment to cooperatives strengthened and broadened beneficiaries' social networks; (vi) training of women in production skills contributed greatly to households' income-generation and rural development in general; (vii) village cultural centres constructed under YARIP¹³ became important community spaces, in particular in minority areas, for training and learning, but also for leisure and cultural activities, thereby greatly enriching the social and cultural life of villagers and building cohesion; and (viii) safe drinking water supplies reduced women's time spent fetching water for the family, allowing them to engage in production and social activities (see also below section on "Gender equality and women's empowerment").
51. The above achievement is important, although the PCR could have better elaborated on the source of information.
52. **Institutions and policies.** Institutional impacts were described in the PCR to have mainly occurred at the level of enhanced capacity by staff (of implementing agencies) to implement other rural development projects in future, specifically using participatory planning, and poverty and gender-focused approaches to benefit the target groups. Notably, YARIP provided support, in the form of building and equipment upgrades and technical capacity building, to 16 agricultural extension stations at township level, which reportedly resulted in enhanced and more effective extension services.
53. The PCR conceded that the project had very limited impact on policies related to agricultural development and poverty reduction, while lessons learnt in value chain development in Zhanyi had the potential to become county-level policies or guidelines for poverty reduction through the development of agricultural industrialisation.
54. In summary, while important claims were highlighted in the PCR across several impact domains, the evidence could have been substantiated more solidly and precisely in many cases. This PCR rates the overall rural poverty impact of YARIP as *moderately satisfactory (rating 4)*. This is lower than the satisfactory rating (5) provided by PMD.

¹² It should be considered that more detailed information on "improvement of household energy consumption" would have aided an assessment of this outcome.

¹³ A total of 125 cultural centers were constructed by YARIP in nine counties.

Sustainability of benefits

55. **Government commitment towards sustainability.** The PCR stated the government's strong commitment to mainstreaming YARIP's rural development and poverty reduction strategies of infrastructure improvement, market-oriented commercial crop and livestock production, enhancement of farmers' farming techniques and information services, as well as market development for local feature products; and its pledging of public support for poverty elimination and rural development at provincial, county and township levels. This commitment on the part of the government is enshrined in its national 13th Five Year Plan (2016-20), which aims to eliminate poverty in all provinces by 2020.
56. **Institutional and technical sustainability.** The PCR outlined that YARIP's project management was exercised through the government's existing agencies, in particular those at county and township levels, which have clearly-defined, official mandates for poverty reduction and rural development and were expected to sustain project activities after its completion (the latter being in line with the government's Five Year Plan).
57. With regard to the farmers' sustained adoption of the technologies promoted by YARIP, the latter were deemed in the PCR to be primarily well-established agricultural production techniques for field crops, medicinal herbs, livestock and poultry suitable for local conditions. Furthermore, beneficiaries were expected to continue to receive extension services from other projects, local government agencies¹⁴ and farmer cooperatives. At the final stakeholder workshops, notably 97 per cent of beneficiaries indicated they were highly satisfied or satisfied with the timely technical training provision by these entities.
58. **Community participation and ownership.** High levels of the sustainability drivers of community participation and ownership were indicated in the PCR, with YARIP beneficiaries involved in a bottom-up participatory process, from planning, through to implementation and activity management after project closure. As such, farmer cooperatives, VIGs, village committees, O&M groups and WUAs were supported through capacity building to ensure the sustainability of activities beyond the project duration.
59. The PCR further highlighted that the continuation of farmers cooperatives can well be expected given the high level of enthusiasm by farmers to voluntarily become their members, so as to benefit from the improved production services and market linkages.
60. **Economic viability.** The PCR explained that YARIP yielded large resource-base improvements among the communities and contributed to a substantial uplifting of household incomes (see above section 'Rural poverty impact'), to the extent that they were deemed to indicate enhanced self-financing capacity on the part of the beneficiaries. The project's capacity building and skill enhancement activities were deemed effective in terms of sustaining production, income-generating activities and shock resilience. Furthermore, the rapid development of farmer cooperatives bodes well for exploiting the long-term economic potential for market-oriented production of agro-products, although the continued benefits of emerging cooperatives would depend on the level of their functioning, including robust governance structures.
61. In view of: (i) the strong indication of government commitment to sustain YARIP's investments as part of its rural development strategy and planning; (ii) decentralised government agencies well-positioned to continue project activities; (iii) the amenability of the promoted technologies for sustained adoption by farmers; (iv) expected continuation of timely and effective extension service provision by government agencies and cooperatives; (v) high levels of ownership and consequent sustainability prospects for farmer cooperatives in particular; and (vi) the farmers'

¹⁴ County technical bureaux for crop, livestock, poultry and fishery production, as well as township agro-extension stations.

enhanced capacities for self-financing, sustaining production and income-generation, and increased shock-resilience, this PCR rates the sustainability of the benefits of YARIP as *satisfactory (5)*, which is higher than the satisfactory (4) rating provided by PMD.

B. Other performance criteria

Innovation

62. In its 'PCR score descriptors' appended to the rating matrix, the report states that YARIP had taken up a number of innovative approaches from the wider country programme. From other parts of the report, these can be understood to be market access, value chain and cooperative development, as these were described as innovative features new to the local implementing agencies and context.
63. The PCR also notes that prior to the MTR these approaches were pursued only to a limited extent, at least in part because of a delay in matching funds.
64. This PCR rates YARIP innovation as *moderately satisfactory (4)*, in agreement with the rating provided by PMD.

Scaling up

65. The PCR did not provide any indication of scaling up of YARIP's project activities or investments; with regard to documentation and sharing of experiences with innovations for scaling up, the report stated that only one of the planned annual 'knowledge workshops' were held, which had the aim of disseminating experiences and innovations. The PCR rather assessed the project's potential for scaling up and to this end indicated that a number of crop cultivation and livestock raising practices were deemed promising for this purpose.
66. However, information has come to light in 2019, i.e. subsequent to the finalization of the PCR, that the pipeline Yunnan Rural Revitalization Demonstration Project¹⁵ under IFAD11 is projected to scale up YARIP's market access initiatives to new geographic areas (six additional counties), covering a larger number of beneficiaries, using significant government and private sector resources (i.e. IFAD is not the only promoter of the initiative).¹⁶
67. In view of the underachievement of the planned knowledge-sharing and dissemination efforts on the one hand, and, on the other, the indicated government commitment to scaling up the market access approaches in additional counties, with additional financial resources from the government and private sector, this PCR rates the scaling-up criterion for YARIP as *moderately satisfactory (4)*, lower than the satisfactory rating (5) provided by PMD (albeit for the criterion of 'Potential for scaling up').

Gender equality and women's empowerment

68. **Women's access to resources, assets and services.** The PCR outlined the outreach results obtained by YARIP in relation to its target of prioritising women in project implementation, as follows: women accounted for (i) 47 per cent of the beneficiary total; (ii) 46.8 per cent of all participants in project activities; and (iii) 45.3 per cent of farmers receiving technical training. Although not explicit in the PCR narrative, to a certain extent this can be viewed as having afforded women in the target areas increased access to services.
69. **Women's influence in decision-making.** As intended in the Design Report, the PCR noted that PLGs involved the county Women's Federations, which ensured a woman representative in decision-making at that level. The level of influence of these women

¹⁵ "Yunnan Rural Revitalization Demonstration Project" (Status as of January 2020: concept approved; beneficiary number: 323,572 households; total project cost: US\$242.44 million [IFAD loan – US\$80 million; government contribution – US\$120.64 million; private sector contribution – US\$19.80 million]).

¹⁶ This information was provided by PMD as part of its comments on the draft PCR.

or the extent to which they represented the views of female beneficiaries, particularly from poor or vulnerable households is not clear from the PCR.

70. **Women's health, skills and income.** In addition to women's general involvement in all project activities, the project specifically designed and implemented 11 women's groups to enhance their economic opportunities and social status. For instance, in Moshu Township of Xinping, the YARIP-supported women's group for traditional *Dai* dolls attracted over 50 rural women to engaging in the production of a variety of art crafts for tourist markets. This not only increased their income, but also enhanced the visibility of the cultural heritage of the *Dai* ethnic minority. A quantification of the increased income levels of the showcased and the remaining women's groups would have aided to bolster the impact evidence.
71. Elsewhere in the PCR, improved health of women and girls was mentioned as an (indirect) effect of productivity gains (see section 'Rural poverty impact'), however no evidence was presented to support this impact claim.
72. **Workload distribution among household members.** The PCR, in its impacts section, highlighted the impact of safe drinking water supplies on reducing drudgery supposedly for women in particular, in that it freed them from the burden of water fetching for the family (see also above section 'Rural poverty impact'). In turn, they were reportedly able to allot more time to engaging in agricultural and other production activities, as well as participate in social activities.
73. **Other aspects.** Information on women-headed households, the collection of household data disaggregated by sex, and gender relations within households, groups and communities in the project area, was not provided in the PCR.
74. This PCR rates YARIP performance with regard to gender equality and women's empowerment as *satisfactory (rating 5)*, in agreement with the rating provided by PMD.

Environment and natural resources management

75. **Measures for sustainable natural resource management (NRM).** The PCR lists a range of measures adopted by YARIP for sustainable NRM and environmental protection: (i) upgrading of irrigation canals and village roads, and land improvement combined with tree crop development, contributed to enhanced water retention and use efficiency, and to reduced soil erosion and land degradation; (ii) in-pen rearing of livestock, including collection and treatment of animal waste, improved hygiene and health of both livestock and residents; (iii) general sanitation practices (including garbage tanks, waste treatment and removal), supported by awareness raising, improved the physical environment as well as villagers' health and their capacity for self-planning and management; and (iv) integrated pest management reduced environmental contamination with chemicals.
76. **Long-term environmental and social sustainability.** According to the PCR, the project design specifically avoided any potential negative impacts on natural resources and the environment. The developed infrastructure was reported as having met national regulations for environmental conservation and protection, and no major negative impacts on the environment were identified for livestock production activities supported by the project. The project contributed to social sustainability specifically in relation to its general sanitation activities by raising awareness and enhancing the farmers' capacity for self-planning and management.
77. This PCR rates YARIP performance with regard to the environment and NRM criterion as *satisfactory (5)*, in agreement with the rating provided by PMD.

Adaptation to climate change

78. The PCR stated that many of YARIP's activities contributed to building the resilience of beneficiaries to severe weather events, particularly the developed community infrastructure. For instance, improvements to canals allowed for more effective

farmland irrigation, in turn enabling beneficiaries to produce crops in the dry season; at the same time, flood impacts during the rainy season were reduced. The PCR cites the example of Caiyun Township of Shizong, where the community of 1,240 farming households are no longer threatened with crop failure across a farmland area of ca. 466.7 hectares previously prone to flooding, owing to the construction of irrigation and drainage canals and ditches, which also allowed for crop diversification (a climate change adaptation strategy in its own right).

79. Dry-season crop production was complemented by improvements to village roads, enabling year-round marketing activities, and new water supply systems delivered safe drinking water throughout the year, villagers no longer needing to fetch water from far-away sources in the dry season.
80. Noting the above positive results with regard to water use efficiency, transport access and drought preparedness, certain other resilience strategies planned for as per the Design Report appear not to have been implemented adequately; these being climate change awareness training for technical extension agents and farmers, and the introduction of drought-resistant crop varieties. Indeed, the PCR highlighted the need for increased climate change awareness among technicians and for prepositioning climate-smart varieties.
81. This PCR rates YARIP performance with regard to adaptation to climate change as *moderately satisfactory (4)*, in agreement with the rating provided by PMD.

C. Overall project achievement

82. YARIP's goals and objectives were well-aligned with government and IFAD development objectives, and some effort was made to adjust project investments for particular activities in response to a shifting context and emerging needs. Considerable output levels were achieved under the infrastructure and productivity components and certain of the modules under the market access and value chains component, and overall infrastructure quality was reportedly satisfactory. Rural poverty impacts reportedly included increased food security and grain, cash crop and livestock production, reduced malnutrition, per-capita income and household asset gains, as well as enhanced and more effective decentralised extension services. Adequate provisions were made to ensure the social, technical, institutional and financial sustainability of project benefits.
83. Considerable proportions of women engaged in programme activities, with a female representative in county-level decision-making, women's groups resulted in income gains, and the health status of women and girls was reportedly improved, as well as drudgery reduced. A range of measures was introduced for sustainable NRM and environmental protection, infrastructure was found to meet national environmental norms, and social sustainability was safeguarded particularly with regard to general sanitation. Climate change resilience of farmers was built by enhancing water-use efficiency, dry-season and diversified cropping, complemented by enabling year-round marketing through improved connectivity.
84. On the other hand, low output delivery rates for the greater part of the project duration were noted, in particular for the market access and value chain component, which remained underachieved at project-end. A number of indicator targets for all three outcomes was not adequately reported on. The robustness of rural poverty impacts was limited by: (a) a general lack of detail on survey design, including counterfactuals or 'without' comparisons for the stated productivity, food security and malnutrition impacts; and (b) the anecdotal nature of impact claims regarding food security levels, food access, nutrition and health, as well as for human and social capital and empowerment. Very limited impacts were achieved for market access, value chains, and regarding overall institutional-level outcomes, while no policy impacts were reached. Pursuit of innovative approaches and activities was limited and their scaling up appeared not achieved. Sex-disaggregated survey results were largely not presented and stated economic and health impacts for women remained

unsubstantiated and anecdotal for the most part. Climate-change-related awareness training for extension officers and the introduction of drought-resistant crop varieties, albeit intended in the design, appeared not to have been accomplished.

85. This PCRV rates the overall project achievement of YARIP as *moderately satisfactory (4)*, in agreement with the PMD rating.

D. Performance of partners

IFAD

86. The PCR noted that guidance from IFAD headquarters regarding financial management and fiduciary aspects was deemed adequate and useful, and that regular technical guidance was provided from its country team led by the Country Office in Beijing. Notably, IFAD guidance and support remained consistent, notwithstanding the change of Country Programme Manager during YARIP's implementation period. The Country Office supported YARIP implementation with a stable country team and continued to link the project to technical resources at IFAD headquarters whenever required.
87. **Supervision and implementation support.** Between 2013 until project completion in 2018, IFAD fielded six supervision, implementation support and review missions and a mid-term review in 2016. The supervision missions and mid-term review were adequately detailed and informative, and included challenges, weaknesses and recommendations. The PCR deemed the mission outcomes generally as useful and constructive, with most recommendations having been implemented. On the other hand, effective technical follow-up on the management shortfall of inadequate monitoring and evaluation (M&E) was not undertaken according to the PCR; further, the report considers that an early MTR would have aided in making necessary adjustments to the project design vis-à-vis the changing implementation context, and greater delivery efficiency could have been achieved.
88. This PCRV rates IFAD's performance on YARIP as *moderately satisfactory (4)*, in agreement with the rating provided by PMD.

Government

89. **Baseline survey and M&E systems.** A baseline survey was undertaken in 2012 (notably before the start of the project). The overall M&E system was assessed in the PCR to have been inadequate, affecting overall programme efficiency in terms of the lack of timely production of accurate information to assist operational decision-making with consolidated and disaggregated progress and performance data (by component, module, activity, county and implementing agency) during most of the implementation period. Right from project inception, the operationalisation of the M&E system was hampered by a logframe deemed confusing, identical indicators for different components, and, foremost, ineffective technical training to establish and improve the M&E set-up at central and county levels. Almost all the supervision missions highlighted the urgent remedial needs with regard to the underperforming project M&E system, yet effective support was not provided (see above section on IFAD performance). Subsequent to the MTR, M&E functions were outsourced to the Yunnan Provincial Academy of Social Sciences, who proceeded to recap the key M&E data in all project counties during 2016 and 2017, and to undertake the endline survey at project-end.
90. While the PCR also noted that an outcome survey was carried out in 2016 to help evaluate the fundamental changes among beneficiaries, no results of this outcome survey were mentioned in the PCR.
91. **Counterpart resources.** The Government contributed counterpart funding in line with the project financing agreement (ca. US\$44.8 million, or 95 per cent of the planned commitment; see section "Financing").
92. **Audit reports.** The PCR notes that the auditor of YARIP followed the International Audit Standards in the auditing of the project. Its financial statements were prepared

in accordance with the Chinese Accounting Standards and applied accrual-based accounting. The auditor provided a management letter with an adequate set of information, outlined shortcomings of project management in terms of internal control, processes and financial management practices.

93. **Funding flow and procurement procedures.** The PCR assessed that the flow of funds occurred with delays, averaging longer than three months from the date the county PMOs submitted their claim documents until payment was received in the project accounts. As implementation and disbursement proceeded at low levels during the first four years, submission of withdrawal applications affected the replenishment of the direct accounts. Insufficient matching funds from the project counties therefore precluded advance funding of project activities, which was one of the causes for the slow rate of project implementation, resulting in an inefficient use of IFAD resources.
94. Project procurement followed the national procurement system and was thus found overall compliant with IFAD and government procedures and guidelines. IFAD support missions recommended contract registers to facilitate the application of procurement methods, as well as selection based on competitiveness.
95. **Project implementation capacity.** The PCR rates the performance of the government agencies as satisfactory. The Ministry of Finance discharged its responsibilities through the provincial Department of Finance in Yunnan and BOFs at prefecture and county levels. The provincial PMO was the effective management and coordination centre and assumed the key functions of planning, coordinating, monitoring and reporting of the project. The implementation of project activities was largely decentralised and delegated to the implementing agencies at county level, under coordination of county PMOs. The township PMOs also assisted and facilitated village-level participatory planning to select the modules to be implemented in each village; further, they coordinated the involvement of township technical agencies and stations, as well as farmers' cooperatives, and assisted in the collection of M&E data and documentation of project activities. The PCR noted that the VIGs may be viewed as the best-performing project partner, particularly in ensuring the participatory implementation modality.
96. This PCR rates government performance on YARIP as *moderately satisfactory (rating 4)*, in agreement with the PMD rating.

IV. Assessment of PCR quality

Scope

97. The PCR contained all chapters, sections, and annexes as per the Guidelines for Project Completion Review (2015) and provided substantive and relevant content. This PCR rates the scope of the PCR as *satisfactory (rating 5)*.

Quality

98. The PCR was found to be satisfactorily detailed, informative and of good quality.
99. **Inclusiveness of PCR process.** The PCR process was inclusive of a variety of stakeholder groups, in that a stakeholder workshop was held in July 2018 to take stock of YARIP's achievements and for participants to voice their observations and assessment of the project's implementation and results.
100. **Data robustness, reliability, and adequacy.** As outlined in the above section titled "Baseline survey and M&E systems", the overall M&E system proved inadequate to systematically and effectively track implementation progress and capture project results, and the data collected remained of limited use in informing project decision-making. RIMS baseline, mid- and endline surveys were conducted in an effort to capture outcomes and impacts of the project. Certain methodological constraints (or absence of information) of the surveys were noted in this review that, to a certain degree, impinged on the strength of the impact evidence presented (see above

section "Rural poverty impact"). Although an outcome survey was conducted in 2016, no data from it was presented in the PCR.

101. Furthermore, several key outcome indicators were not captured by the project's M&E activities (see above section "Effectiveness").
102. This PCRV rates the quality of the PCR as *moderately satisfactory (rating 4)*.

Lessons

103. A set of lessons was indicated in the PCR to have been learned from the performance of YARIP (see below section "Lessons learned"); these were deemed adequate and were derived from project design and implementation considerations.
104. This PCRV rates the lessons criterion for the PCR as *satisfactory (rating 5)*.

Candour

105. The PCR narrative was considered to be generally objective and to have struck an appropriate balance between showcasing achievements and describing shortfalls.
106. This PCRV rates the candour criterion for the PCR as *satisfactory (rating 5)*.
107. **The overall quality** of the PCR is rated as *satisfactory (rating 5)*.

V. Final remarks and lessons learned

108. Key lessons extracted from the PCR comprise the following:
 - a) Project design should be technically reviewed with more rigour and requisite adjustments should be made as early as possible (notably without waiting until the MTR) in order to obtain higher implementation efficiency.
 - b) A well-established M&E and knowledge management system is critical right from project start-up; practical technical assistance for its setting up and implementation should be provided in a timely manner (especially when the need of its improvement has been repeatedly identified).
 - c) External capacity building for the implementation of core and novel project features (in the case of YARIP value chain and cooperative development) should be considered at design and provided to implementing agencies.
 - d) A proper O&M management and funding mechanism should be planned for already at design stage with a view towards enhancing the sustainability of project physical assets.

Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
Rural poverty impact	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time. 		No
	<ul style="list-style-type: none"> Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process. 		No
	<ul style="list-style-type: none"> Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition. 		No
	<ul style="list-style-type: none"> Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor. 		No
Project performance	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
Other performance criteria			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
Overall project achievement	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
Performance of partners			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

Rating comparison^a

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCR) rating</i>	<i>Net rating disconnect (PCR-PMD)</i>
Rural poverty impact	5	4	-1
Project performance			
Relevance	4	4	0
Effectiveness	4	4	0
Efficiency	4	4	0
Sustainability of benefits	4	5	+1
Project performance^b	4 ¹	4.25	+0.25
Other performance criteria			
Gender equality and women's empowerment	5	5	0
Innovation	4	4	0
Scaling up ²	5	4	-1
Environment and natural resources management	5	5	0
Adaptation to climate change	4	4	0
Overall project achievement^c	4	4	0
Performance of partners^d			
IFAD	4	4	0
Government	4	4	0
Average net disconnect			-0.08

^a Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

^b Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

^c This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation, scaling up, environment and natural resources management, and adaptation to climate change.

^d The rating for partners' performance is not a component of the overall project achievement rating.

¹ An overall project performance rating was not provided by the PMD; the arithmetic average across the four components was computed by the PCR evaluator.

² This criterion read as "Potential for scaling up" in the PMD rating matrix.

Ratings of the project completion report quality

	<i>PMD rating</i>	<i>IOE PCR rating</i>	<i>Net disconnect</i>
Candour	n/a	5	n/a
Lessons	n/a	5	n/a
Quality (methods, data, participatory process)	n/a	4	n/a
Scope	n/a	5	n/a
Overall rating of the project completion report	n/a	5	n/a

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

Output Delivery

Output	Unit	Target	Actual	% Delivery
Component 1: Community infrastructure improvement				
<i>Rural roads</i>				
Rehabilitation	Kilometers	202.7	199.9	98.63%
New construction	Kilometers	165.1	176.7	107.04%
<i>Safe drinking water</i>				
Water ponds	Number	22	14	63.6%
Small weir	Number	1	1	100.0%
Water pipelines	Kilometers	142.8	15.26	10.7%
<i>Community sanitation and improved living conditions</i>				
Public and private latrines	Number	96	149	155.2%
Waste treatment tank	Number	12	2	16.7%
Village drainage ditch	Kilometers	121.3	134.0	110.4%
Ecosystem restoration piloting	Hectares	66.7	60.0	90.0%
Solar-powered lamps	Number	97	248	255.7%
Rehabilitation of deteriorated farm houses	Number	80	95	118.8%
Separation of resident and animal houses	Number	47	107	227.7%
<i>Infrastructure maintenance</i>				
Maintenance groups established	Number	114	86	75.4%
Individuals receiving technical training on infrastructure maintenance	Number	2,620	266	10.2%
Component 2: Agricultural productivity enhancement				
<i>Irrigation and farmland development</i>				
Farmland consolidation and development	Hectares	43.3	149.6	345.1%
Irrigation and drainage canals	Kilometers	251.0	272.0	108.4%
Irrigation pipelines	Kilometers	126.9	103.2	81.4%
Irrigation water ponds	Number	3	13	433.3%
Pumping stations	Number	6	5	83.3%
Electricity lines	Kilometers	2	3.3	165.0%
<i>On-farm access roads</i>				
On-farm roads	Kilometres	136.9	226.4	165.5%
Farm bridge and culvert	Number	67	177	264.2%
<i>Water user associations (WUAs)</i>				
WUA groups established	Number	19	18	94.8%
Person-days of technical training on I&D delivered	Number	3,220	1,858	57.7%
<i>Integrated agricultural development</i>				
Annual crop modules (150 households)	Number	28	23	79.9%
Community capacity-building modules	Number	69	122	178.1%
Livestock modules (20 households)	Number	22	22	100.0%
Extension modules	Number	27	16	59.3%
Fishery modules (34 households)	Number	1	1	100.0%

Output	Unit	Target	Actual	% Delivery
Component 3: Value chain development and market access				
<i>Production modules</i>				
Annual crop modules (150 households)	Number	15	8	55.2%
Perennial crop modules (80 households)	Number	26	17	64.6%
Livestock modules (40 households)	Number	19	15	79.0%
Herbal medicine modules (100 households)	Number	26	13	50.0%
<i>Women's groups (200 members)</i>	Number	11	11	100.0%
<i>Cooperative modules (200 members)</i>	Number	67	58	86.5%
<i>Value chain modules (400 members)</i>	Number	36	15	42.8%
<i>Support to modular approach</i>				
Value chain study tours	Number	17	2	11.8%
Support to annual workshops	Lumpsum (CNY '000)	1,128.9	441.8	39.1%
Support to market information system	Lumpsum (CNY '000)	813.0	122.1	15.0%
National staff receiving capacity building	Number	34	2	5.9%
<i>Biodiversity advisory group</i>				
Support to advisory group meetings	Lumpsum (CNY '000)	33.9	9.2	27.2%
Technical assistance by group members	Person-months	30	0	0.0%
Travel funds for group members	Lumpsum (CNY '000)	133.9	0	0.0%
<i>Federation of cooperatives</i>				
Feasibility study	Number	1	0	0.0%
Inaugural meeting/workshop	Number	1	1	100.0%
Market research studies	Number	7	0	0.0%
<i>Technical assistance</i>				
Product marketing, branding and promotion	Person-months	15	0	0.0%
Product quality, food safety and product certification	Person-months	15	0	0.0%
Business manager	Person-months	21	0	0.0%
Marketing/sales manager	Person-months	21	0	0.0%
Part-time support staff	Person-months	10	0	0.0%
<i>Market research activities</i>	Number	6	0	0.0%
Component 4: Project coordination and management				
<i>Vehicles and equipment</i>				
Cars	Units	13	6	46.2%
Office furniture and equipment	Lumpsum (CNY '000)	3,894.2	4,813.7	123.6%
<i>Workshops and trainings</i>				
General training funds	Lumpsum (CNY '000)	3,098.0	1,996.4	64.6%
Meetings, conferences and workshops	Lumpsum (CNY '000)	3,320.3	837.6	25.2%
<i>Monitoring and evaluation (M&E)</i>				

Annex III

Output	Unit	Target	Actual	% Delivery
M&E activities	Lumpsum (CNY '000)	6,002.2	2,066.2	34.4%
<i>Study tours</i>				
Individuals participating in national study tours	Number	1,203	163	13.6%
Individuals participating in overseas study tours	Number	47.6	0	0.0%

Abbreviations and Acronyms

BOF	Bureau of Finance
IFAD	International Fund for Agricultural Development
IMG	Infrastructure maintenance group
M&E	Monitoring and evaluation
MTR	Mid-Term Review
NRM	Natural resource management
O&M	Operations and maintenance
PCR	Project Completion Report
PCR/V	Project Completion Report Validation
PLG	Project leading group
PMD	Programme Management Department (IFAD)
PMO	Project management office
VIG	Village implementation group
WUA	Water user association
YARIP	Yunnan Agricultural and Rural Improvement Project

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