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EVALUATION OF WFP'S ASSISTANCE TO CHINA (1979–2005)

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NOTE TO THE EXECUTIVE BOARD

This document is submitted for consideration to the Executive Board.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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EXECUTIVE SUMMARY

This report, which synthesizes the findings of an independent evaluation of WFP's assistance to China between 1979 and 2005, was commissioned by the Office of Evaluation and fielded in May 2005. It comprises a historical review based on a desk study and an evaluation of the last country programme, which was approved by the Board in February 2001 and phased out in December 2005.

WFP has to date delivered 4 million mt of food worth US\$1 billion through 67 projects and one country programme. The Government contributed US\$1.16 billion as counterpart funds; the International Fund for Agricultural Development agreed loans for US\$148 million. About 30 million people have benefited from WFP assistance during the period under review.

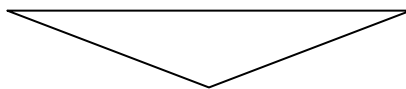
The evaluation team found that food aid combined with financial and technical inputs were a catalyst in enhancing the development of poor households in project areas; socio-economic indicators reflect an improvement in beneficiaries' living conditions, which should be seen in the context of overall improvements in living conditions in China. In terms of creating productive assets and of efficiency in managing food aid, which was supported by the leadership and resource inputs of the Government, the results are exceptional. The project-management office funded by the Government, through which it coordinated the programme, proved effective and could be a model for cost-sharing agreements in countries with similar capacity. Also effective was the arrangement whereby the ratio of Government counterpart funding increased to 1:2.8 in the course of the country programme. The Chinese Government covered the costs of ocean freight and all landside transport.

Cooperation and synergy among United Nations agencies, especially the Rome-based agencies, resulted in high-quality programmes when well coordinated, particularly in education, training, health and income generation. Technical assistance provided by the Food and Agriculture Organization of the United Nations and mobilized by WFP or through an umbrella project of the United Nations Development Programme contributed to the sustainability of WFP-assisted projects.

On balance, the 2001–2005 country programme achieved commendable results through a combination of investments in productive infrastructure, training, social infrastructure and micro-credit. A school feeding supplementary activity was planned but limited funding prevented large-scale implementation. Approximately 4 million beneficiaries – 87 percent of the planned total for basic activities – were assisted with 230,000 mt, 66 percent of planned resources; consistent Government input in terms of food, cash and commitment was a major factor in the success. Ambitious coverage and shortfalls in contributions in 2003 and 2004, however, resulted in resources being spread too thinly, which reduced the effectiveness of some activities. WFP's transition from project to programme approaches in the 1990s, which brought about a decrease in technical appraisals at the activity level, has affected the sustainability of some activities. The reduction of WFP staff resulting from the phasing out of assistance reduced the ability of the country office to monitor activities in 2004 and 2005 and to report on the phase-out.



DRAFT DECISION*



The Board takes note of the document “Evaluation of WFP’s Assistance to China, 1979–2005” (WFP/EB.1/2006/7-A).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.



INTRODUCTION

Purpose and Scope of the Evaluation

1. The objectives of the evaluation were to review and record briefly the main elements of WFP's 26 years of assistance to China, evaluate WFP's current country programme (CP), with a focus on activity outputs and impact, and capture lessons that may be of corporate interest. Evaluation of the 2001–2005 CP focused on: (i) consistency with WFP's mandate, Enabling Development policy and Enhanced Commitments to Women (ECW);¹ (ii) design and achievement of objectives; (iii) targeting and implementation; (iv) impact and sustainability; (v) monitoring and reporting; (vi) coordination, partnerships and beneficiary participation; and (vii) budget and resources.

Methodology

2. The review of WFP's assistance to China, based on approved project documents, progress reports, completion reports, technical review reports and evaluation reports, was undertaken in Rome before the evaluation mission travelled to China and provided the statistical data for the field work and evaluation.
3. The evaluation mission, which visited China from 9 to 28 May 2005, was composed of a mission leader from the Food and Agriculture Organization of the United Nations (FAO) and consultants in socio-economics, soil conservation and irrigation, and women in development; it was accompanied in the field by an evaluation officer from the Office of Evaluation (OEDE). Most time was devoted to evaluating the CP. The mission visited terminated projects 3730 in Guangxi province and 3355 in Gansu province, and ongoing WFP-assisted activities in Fengshan and Tian'E counties in Guangxi province and Lixian county in Gansu province. Interviews were conducted with beneficiaries of WFP assistance; participatory evaluation sessions were undertaken with project management office (PMO) staff.
4. Part 1 of this report reviews the period 1979–2000, Part 2 is an evaluation of the 2001–2005 CP, and Part 3 draws corporate lessons for WFP-assisted development or recovery operations in the rural sector.

PART 1: REVIEW AND ASSESSMENT OF WFP'S FIRST 21 YEARS IN CHINA, 1979–2000

Evolution of WFP's Assistance to China

5. The Board approved 67 WFP-assisted projects and one CP, which provided 4 million mt of food worth US\$1 billion. The Government contributed US\$1.16 billion as counterpart funds; the International Fund for agricultural Development (IFAD) provided loans of US\$148 million, starting in 1996. About 30 million people benefited from WFP assistance.

¹ Enabling Development (WFP/EB.A/99/4-A), Gender Policy (2003–2007): Enhanced Commitments to Women to Ensure Food Security (WFP/EB.3/2002/4-A).



6. WFP's assistance to China in 1979–2000 can be presented in four main phases:²
- i) **1979–1982:** Emergency food assistance to refugees and people affected by natural disasters. WFP assistance started with provision of emergency food assistance for Indo-Chinese refugees in Guangdong and Yunnan provinces through quick-action projects.³
 - ii) **1983–1990:** Sector development assistance in forestry, fishery, agriculture and dairy projects. The agricultural sector was undergoing significant changes following establishment of the household responsibility system.⁴ Agricultural productivity and total production were prioritized by the Government and showed remarkable growth rates. WFP contributed by implementing large sectoral projects; the peak of its assistance was reached in this period (see Annex graph 1).
 - iii) **1991–1996:** Integrated agricultural development (IAD). This assistance aimed to improve the production base in townships selected by the Government with improvements to water supplies and soil conservation through food-for-work (FFW) activities and training. Project design focused on technical features rather than promoting farmer's participation during design and implementation; the existing mechanisms in farmers' organizations were considered sufficient.
 - iv) **1997–2000:** Integrated rural development (IRD). In the mid-1990s, WFP began to shift its support from IAD to an IRD approach, which in addition to meeting the food and income needs of the poor also addressed the formation of human capital. The Government's recognition that achieving sustainable poverty reduction required integrated services led to the decision in 1996 by the Ministry of Agriculture, WFP and IFAD to establish a programme partnership.
7. WFP food input has been mainly wheat: beneficiaries received one family ration of 3.25 kg of wheat for each day of work, as defined by work norms for each type of activity. WFP food aid contributed to meeting the short-term food needs of poor food-insecure households and to creating assets for more sustainable livelihoods; WFP also provided ad hoc training. WFP food assistance served as budgetary support for the Government, which made savings because it no longer had to provide relief and "resold" grain to food-insecure and vulnerable areas. WFP negotiated investment of these Government savings in the same project areas to improve education, health and sanitary infrastructures.

² See map on page 19.

³ In addition, four quick-action projects worth US\$5 million were launched between 1984 and 1998 to assist in emergencies. In 1998, emergency operation (EMOP) 6045, worth US\$93 million, was approved to assist flood-affected people in Anhui, Hubei, Hunan and Jianxi; this operation was evaluated in 2000 (WFP/EB.2/2000/3/1).

⁴ In 1979, agricultural and economic reforms launched in China involved the major innovation of allocating arable land use rights to individual farmers on the basis of the number of people in the family; it was accompanied by a shift from state-governed marketing of agricultural products to the open market.



CONCLUSIONS ON WFP'S ASSISTANCE TO CHINA (1979–2000)

Overall Assessment

8. WFP's experience in China was exceptional in terms of physical achievements, mobilization of beneficiaries, efficient food management and sustained government support. All evaluation reports highlight outstanding achievements related to increased food production, expansion of productive infrastructures and improvement in beneficiaries' living conditions.
9. Food aid, combined with financial and technical inputs, has been a catalyst in enhancing the development process. WFP's approach and projects have been models for other food and non-food programmes such as the on-going land-conversion programme and the World Bank-funded North China Loess Plateau programme in Anshun prefecture in Guizhou province, which used its own resources to extend WFP project activities.
10. Implementation of WFP activities was helped by the experience of the Chinese authorities in mobilizing large rural labour forces to build development infrastructures. The achievements of WFP-assisted development projects reflect ongoing socio-economic transformations and economic growth: they began in the early 1980s, when the economic and agricultural reforms were initiated, which triggered tremendous increases in agricultural production and average annual growth in farmers' incomes of 15 percent between 1978 and 1984, which still continues though at a slower pace. The composition of farmers' incomes changed drastically with the growing importance of off-farm activities supported by industrial and construction sectors continuously in need of labour.

Impact on Household Food Security

11. The impact of WFP interventions on household food security is illustrated by the projects implemented in the Loess Plateau⁵ in the 1990s, where a large part of WFP assistance was delivered (see Annex). Depending on location and timing, emphasis was placed either on developing and protecting irrigation command areas through infrastructure works and watershed reforestation to turn rain-fed slopes into irrigated terraced fields, or on developing more small-scale activities in a catchment area by combining dry-land farming on terraces, reforestation, small irrigation systems in lowlands and water harvesting at the farm level. Activities oriented towards complementary production were also undertaken, such as economic forestry or livestock rearing in the same area, access to seasonal farming input packages and improvement of access roads.
12. Work on land improvement resulted in increased yields and self-sufficiency. Before WFP's intervention, the arable land of an average household of four amounted to 0.75 ha of slope land and 0.17 ha of terraced land; grain production was about 1 mt per household, which left a food gap of two or three months a year.⁶ Project activities, particularly terracing slopes, brought household grain production to 1.3–1.4 mt, covering basic requirements.

⁵ The Loess Plateau in north-western China covers 631,000 km²; extensive erosion and soil losses threaten livelihoods and accelerate sedimentation of the Yellow River, which increases the danger of floods.

⁶ Data in "Sectoral Evaluation of WFP-assisted activities for the Development and Protection of Rainfed Agriculture in China (Loess Plateau). May-June 1992". 35: 35/SCP:10 – Document 10/3-D Add. 1.



13. Farm and family incomes increased steadily in the period under review. At full development, overall net family incomes in constant-value terms were twice the level registered before project implementation. The composition of household income also changed: revenues from animal husbandry increased from 10 percent to 30 percent of agricultural production, mainly because grain surpluses were used to feed pigs. Before the project, agriculture provided 75 percent of household income; subsidiary activities provided 25 percent. After the project, off-farm employment constituted at least 50 percent of household income; income from cash crops and fruit production in project plantations also increased. The economic internal rate of return (EIRR) calculated at the project level during the sectoral evaluation of rainfed agriculture in the Loess Plateau was 17 percent; the cost of capital at that time was 12 percent.

Sustainability

14. Increased involvement of beneficiaries in designing and monitoring projects through participatory rural appraisal (PRA) contributed to increased sustainability. The construction of roads, domestic water-storage facilities and health centres, which started in the mid-1990s and became the central focus of CP activities, helped to improve overall sustainability and alleviate daily workloads, especially for women.
15. Upgrading, maintaining and operating major irrigation schemes require investments, which are currently made by the Government and so incompletely reflected in production costs at the farm level. Major buildings and inter-farm canals, which are the responsibility of the water-conservancy administration, are well maintained and operated; on-farm canals were not included in the construction programme and have not been completed, hampering the effectiveness of the system. Training was a significant part of WFP-assisted projects, but its impact was sometimes limited by the teaching methods and content was not always adapted to people's education levels, living conditions or needs. Environmental impact remains a challenge: experience shows that additional measures are required to avoid environmental threats such as salinization.
16. Projects in the early 1990s centred primarily on development of productive infrastructures; long-term impact at the household level was not the priority. Areas planted with trees during this period were often under collective land-use rights and were contracted to entrepreneurs; benefits for households were limited to low rents paid to villages, revenue from which was utilized for social welfare. In the IRD projects, the focus was on household development, with the result that beneficiaries gained assets.

Strategy, Government Input and Partnership

17. The approach and design of WFP-assisted projects have been adapted to enhance integration of poverty-alleviation requirements. The IRD approach emphasized human capacity-building and food for assets (FFA) to the direct benefit of households. Evaluation reports of projects implemented since the mid-1990s show that the combination technical training, literacy programmes and measures for women's development started a positive change in the way farmers participate in projects. PRA methods used during planning and monitoring helped to implement the IRD approach.
18. Strong financial and technical support by the Government and technical backstopping from provincial and township technical bureaux were always available. The structure of the PMOs put in place by the Government was efficient for project implementation.



19. WFP assistance was linked to the Government's comprehensive development programmes.⁷ WFP-assisted development projects were implemented in targeted poor, remote and food-deficit areas that were prone to erosion; beneficiaries were farmers relying mainly on agriculture for subsistence. WFP assistance, typically 20–30 percent of the total investment of such programmes, enabled timely, rapid implementation and completion, helping the Government to reach its long-term objectives for rural development.
20. The combination of investments in productive infrastructure, training, social infrastructure and, with IFAD support, micro-credit brought commendable results. FAO technical assistance for project appraisals, technical reviews and evaluation was particularly useful in terms of efficiency and sustainability.

PART II. COUNTRY PROGRAMME EVALUATION, 2001–2005

Overview

21. Given the remarkable results in poverty eradication achieved by the Government since the 1980s, an exit strategy was discussed by the Board at the Third Regular Session in 2000: it was agreed that WFP's assistance in China would be phased out by December 2005. The new CP (2001–2005) was developed and approved in February 2001;⁸ its goal was to assist 1.7 million poor households, concentrating on Enabling Development priorities 2 – enable poor households to invest in human capital through education and training, 3 – make it possible for poor families to gain and preserve assets, and 5 – enable households that depend on degraded natural resources for their food security to make a shift to more sustainable livelihoods.
22. The IRD approach continued to address interrelated development constraints through four basic activity components: (i) investment in human capacity; (ii) land development and irrigation; (iii) social infrastructure; and (iv) water and soil conservation. Implementation of the CP was organized, as in the past, through stand-alone projects. A supplementary school feeding activity was envisaged, subject to the availability of funds. Activities were to be implemented in ten provinces with targeting guided by vulnerability analysis and mapping (VAM) techniques.
23. The CP called for a gradual increase in the Government's share, from 1:1.5 in 2001 to 1:2 by 2003. The overall cost to WFP was US\$86 million; Government counterpart funding was estimated at US\$210 million. IFAD was to provide loans of US\$148 million to build up counterpart agricultural infrastructure, develop counterpart human capacity and provide micro-credit for WFP beneficiaries.

Country Programme Strategy and Design

24. Since 1998, VAM has been used to target the poorest counties and the poorest townships in these counties. A major difficulty arose, however, when a large number of counties and townships were selected by the PMO; Guangxi province, for example, has 10 counties,

⁷ For example, the comprehensive development programme of the Loess Plateau in the 1980s and 1990s, and the development of Western China in the late 1990s and early 2000s.

⁸ WFP/EB.1/2001/8/1.



74 townships, 10,590 villages and 260,000 households. Given the planned resources, the number and impact of activities were reduced; the large number of villages complicated project management and increased management costs.

25. Village development plans prioritized the poorest households. Self-assessment of wealth through a transparent method involving the agreement of the community, was an effective approach to targeting the poorest people. All beneficiary households visited by the evaluation mission in Gansu and Guangxi, including extremely poor disabled or single-person families, were poor: annual per capita income before the project was between ¥200 and ¥500.⁹

IMPLEMENTATION OF CP BASIC ACTIVITIES¹⁰

Investment in Human Capacity

26. In the CP, 24 percent of WFP food aid was to be dedicated to investment in human capacity; the percentage was maintained despite the low level of contributions. Of the resources planned for the activity, 72 percent was available to WFP for distribution. The objectives were to (i) increase literacy, especially for women, (ii) improve technical and management skills, (iii) to raise awareness of basic health and nutrition, especially for women, and (iv) improve the implementation capacity of the Government.
27. The activity is implemented through food-for-training (FFT) programmes, including functional literacy training, farmer-to-farmer training, technical and managerial skills training for candidates for IFAD micro-credit, and basic health and nutrition training for women. Complementary activities are funded by the Government and include training for trainers, schoolteachers, village doctors and midwives.
28. Literacy training is welcomed by farmers, particularly by women who can look for off-farm employment and diversify their sources of income. The proportion of women to men in training is between 1.6:1 and 2:1, which is highly satisfactory compared with the targets. Literacy training was particularly affected by a shortfall of WFP resources in 2003 and 2004, which resulted in a further reduction in the number of beneficiaries. In Litai village in Gansu province, where illiteracy rates were 50 percent for men and 70 percent for women in 2002, only 25 adults out of 555 could attend the literacy course.

⁹ US\$1 = ¥8.3 in June 2005.

¹⁰ The supplementary school feeding activity amounted to US\$10 million, but was only 1 percent funded.



TABLE 1: TOTAL DISTRIBUTION FOR BASIC ACTIVITIES (WFP RESOURCES) 2001–2005, AS OF MAY 2005¹¹						
Activities	Beneficiaries			Tonnages		
	Plan	Actual	%	Planning	Act	%
Investment in human capacity	4 724 400	4 133 488	87	84 196	60 718	72
Land development and irrigation	2 480 000	1 072 906	43	144 565	99 644	69
Social infrastructure	1 267 600	574 600	45	64 727	31 794	49
Water and soil conservation	976 800	587 799	60	53 024	38 037	72
Total CP	4 724 400	4 133 488	87	346 512	230 193	66

Land, Water and Natural Resource Components

29. Agricultural development and natural-resource management were addressed in the CP through two activities: (i) land development and irrigation and (ii) land and water conservation. These are closely linked and are considered jointly in the evaluation. In the CP, 57 percent of WFP food aid was to be dedicated to these activities; the percentage was maintained in spite of low levels of funding. Of the resources planned for these activities, 71 percent were available to WFP for distribution.
30. A range of activities was implemented, with impressive results. Land development and irrigation activities were (i) upgrading irrigation systems, (ii) constructing irrigation water cisterns, small river weirs, hillside tanks, drainage ditches and terraces, (iii) levelling land and (iv) deepening soils. Land and water conservation activities were (i) protecting irrigation systems, road infrastructure and riverbanks by planting trees, (ii) planting nurseries and firewood lots, (iii) closing natural forestry areas, (iv) developing upland pastures, (v) introducing medicinal plants and (vi) constructing small biogas units.
31. Technicalities were to be simple and easily managed by beneficiaries after basic training. Activities were to be harmonized through a village development plan (VDP). However, the design of activities often focused on meeting short-term household needs rather than investing in community assets. The main project partners were the villages, but because of the remote mountainous location of many activities, focusing on hamlets in one watershed may have achieved greater integration.
32. Activities were implemented as planned. The mission's field visits showed that global work norms were estimated by type of activity and were not adjusted for each site. Some work norms seemed too low – for example biogas units, small stables, cisterns and drainage works; others seemed too high – for example land-development activities in Guangxi province.

¹¹ Source: country office. As per design, WFP targeted the same households for both FFT and food for work (FFW) but in different years; husband, wife or both participated, but were only counted once as beneficiaries.



33. Essential community works such as access paths, access roads and village sanitation, and soil-conservation work such as plugging gullies, could have been included in work plans. Activities related to improving dry land require support by extension staff. Interviews with farmers indicated that extension is often limited to initial technical instruction by the township or county extension stations.

Social Infrastructure

34. In the CP, 19 percent of WFP's food aid was to be investment in social infrastructures; actual distribution amounted to 15 percent of total distribution; 49 percent of the planned resources for this activity were available to WFP for distribution. The main objectives were to reduce the physical and economic isolation of poor families by improving access to markets, health facilities and safe drinking water, and to reduce women's workload. WFP supported construction and rehabilitation of village roads and wells, retention ponds, household piped-water systems, fuel-saving stoves, latrines and village dispensaries for primary health care. Progress in social infrastructure construction is satisfactory.
35. Beneficiaries particularly valued construction of domestic water-supply systems, which had an immediate impact on rural livelihoods by providing clean water where villagers previously used polluted water from rivers or had to rely on sources up to three hours' walk away. Road construction improved access to villages. Biogas digesters associated with latrines work well in southern China, but they require the ownership of livestock; poor households that cannot afford livestock therefore have no access to them.
36. There was evidence that the water collection and storage infrastructures built did not meet consumption needs, either because the number of domestic water cisterns was insufficient – there were 21 cisterns for 205 households in Litai village in Gansu – or because the storage capacity did not meet household needs, as in Guangxi. Distributing the budget for building domestic water-supply systems over a large number of villages meant that limited funds were available in each.

Beneficiary Participation and Socio-Economic Impact

37. Examples¹² from the provinces visited illustrate strong beneficiary involvement: in Guangxi province, 682,701 rural inhabitants of whom 60 percent were women – 92 percent of the target and 55 percent of the population of the project counties – had benefited from project activities by the end of 2004: in Gansu Province, 936,177 rural inhabitants benefited of whom 50 percent were women – 82 percent of target.
38. The annual food gap was reduced from four months to one and a half months. In the short term, the grain received from WFP covered a small part of the annual food shortage. Each household received between 130 kg and 300 kg over three years, enough to cover one or two months' food shortage per year for a household of five.
39. In Guangxi, a household cultivating maize on 2 *mu*¹³ of slope land could achieve yields of 200 kg per *mu* before land improvement; after terracing and irrigation, yields increased to 300 kg per *mu*. Comparing the situation before the project and after it shows that average per capita annual income increased from ¥350 to ¥600, largely a result of

¹² Data in this section were collected by the evaluation mission.

¹³ 15 *mu* = 1 hectare.



increased yields and diversification of agricultural activities, in particular animal husbandry. More households have access to seasonal off-farm work, the income from which accounts for at least 20 percent of their incomes.

40. Improved literacy, increased awareness of women in basic health and nutrition, better domestic water supply and improved agricultural production resulting from the project had a start-up effect in terms of livelihood improvement. Resources have been spread among too many villages and households, however: resources allocated to individual villages were consequently insufficient to implement a sustainable development plan; not all the households could benefit from village sanitation measures.

Gender Aspects

41. Adjustments to WFP-assisted projects in China were implemented from 1994 to address women in development. The World Women's Conference in Beijing in September 1995, followed in 1996 by the adoption of WFP's Enhanced Commitments to Women, gave new impetus. Women currently account for 57 percent of FFT participants and 50 percent of FFW participants. In Guangxi and Gansu provinces, 70 percent of participants in functional literacy training are women. The PRA exercise confirmed that training is highly appreciated by women, who participated in village implementation groups (VIGs) and PMOs. Management and leadership training for women was planned, but the evaluation mission found that it was not implemented in Guangxi, Gansu and Ningxia Provinces.
42. Collaboration with the All China Women's Federation (ACWF) was strengthened during the CP. ACWF undertook training and launched a demonstration micro-credit scheme. WFP resources were used for training related to income-generating activities financed through the IFAD micro-credit scheme. The timing of WFP and IFAD interventions was crucial for success.

Coordination and Partnerships

43. PMOs from the province to township levels, which were responsible for allocating and distributing resources, coordinated the activities under the leadership of technical bureaux, which usually run separate programmes. This resulted in good integration of the CP activities: projects set up efficient organizational structures, with VIGs central to implementation.
44. Efforts were made to respond to the need to coordinate external assistance to support the Government's integrated approach to poverty alleviation, including coordination of United Nations agency programmes through the United Nations Development Assistance Framework (UNDAF) and agreements between the China International Centre for Economic and Technical Exchange (CICETE) and UNDP to provide assistance to investment projects supported by IFAD, the World Bank and WFP.
45. The IFAD/WFP partnership that started in 1996, joining forces with the Government to reduce poverty and hunger in remote rural areas, enabled integration of education, training, health and credit components into multi-sectoral activities and made a significant impact in improving rural livelihoods and reducing operational costs for the agencies and the Government. Problems were encountered with delayed Government approval of IFAD loans, however, especially in Gansu province, where WFP began training in income-generating activities without full assurance of IFAD funding: 22,649 women were trained, but could not start the activities until the IFAD micro-credit scheme became operational.



46. Full benefit from the IFAD/WFP partnership can only be obtained with a synchronized approach in which IFAD loans are distributed immediately after FFT activities have been implemented as planned.

Budget, Resource Utilization and Logistics

47. The tonnage approved by the Board was 546,000 mt. As of April 2005, basic IRD activities were funded with 81 percent of the planned resources; the supplementary school feeding had less than 1 percent. The 19 percent average shortfall over the five years hides substantial shortfalls of 38 percent in 2003 and 42 percent in 2004 that led to cancellation of activities in Xinjiang province and to shortfalls in all the other provinces, resulting in low implementation rates. Deliveries of WFP food into Chinese ports were delayed by factors outside the control of the country office. In 2004, the delay resulted in food being distributed during the harvest period in July and August. China became one of the Business Process Review (BPR) pilots,¹⁴ which enabled the China country office to buy US\$2 million worth of wheat locally to restart activities in late 2004 and to borrow US\$4 million worth of food from the Government to start implementation on time in 2005.

TABLE 2 : TOTAL CONTRIBUTIONS TO CP (2001–2005) (MT)¹⁵									
	IRD			School Feeding			Total Per Year		
	Plan	Actual	%	Plan	Actual	%	Plan	Actual	%
2001	72 770	69 149	95	100 000	0	0	172 770	69 149	40
2002	78 086	77 542	99	60 000	0	0	138 086	77 542	56
2003	83 558	51 660	62	40 000	0	0	123 558	51 660	42
2004	68 684	39 893	58	0	1 294	0	68 684	40 293	59
2005	43 450	43 450	100	0	0	0	43 450	43 450	100
Total	346 548	281 694	81	200 000	1 294	1	546 548	282 094	52

48. The Government was strongly committed to the development projects implemented with WFP. This is demonstrated by the counterpart funding ratio, which grew to 1:2.8 during the CP. China is the only country to cover the costs of ocean freight for delivery of WFP food – US\$5.8 million since 2001 – and all landside transport, storage and handling (LTSH) costs for new activities under the CP. The Government also financed staff and administration costs of the project management offices that implemented the projects. These mechanisms could be a model for counterpart funding in countries that have the capacity. The reduced overall cost of the operation also reduces other direct operational costs (ODOC) and direct support costs (DSC) available to the country office, which are calculated as a percentage of overall costs. This was a problem in that DSC were already

¹⁴ To reduce delays in food deliveries, a new programming procedure that allows the country office to make commitments based on a donor pledge is currently being tested in a small number of country offices.

¹⁵ The figures express the total contributions for the CP; the last shipment arrived on 7 April 2005, before the mission.



low because of the low levels of contributions in 2003 and 2004. To encourage other countries to consider this cost-sharing model, the team recommends exploration of a mechanism to avoid reduced DSC.

Monitoring

49. A viable monitoring system exists based on comparison of input versus output, which has been designed by WFP, monitored by PMOs at the county level and computed at the provincial level. Every six months, reports are sent to the country office; until the end of 2003, they were regularly followed up by programme officers. With the departure of the programme officers, however, monitoring has become sporadic, reducing WFP's ability to follow the implementation and impact of activities. Integrated follow-up and piloting of project programmes involving the Government, IFAD and WFP would have been useful.
50. The monitoring system was not designed to reflect impact at the household and community levels. Introduction of a qualitative monitoring system for project activities in some villages could have supported follow-up and project management, which would have required baseline surveys in each province; some provinces, for example Guangxi, carried out a baseline survey based on IFAD requirements, design and training, but outputs have not yet been analysed. A full monitoring and evaluation (M&E) system would have required financial and human resources that the country office did not have during phase-out.

Phase-out of Project Activities and Office Transition

51. Under the agreement between the Government and WFP, project activities will be terminated by December 2005. The CP document contains a commitment to record the phase-out for corporate learning purposes, but the country office stated that it was not done because of lack of staff. Part of the phase-out strategy formulated in the Country Strategy Outline (CSO)/CP was capacity-building of the counterpart at the province level in VAM and disaster management, but as implementation developed the country office did not consider it relevant and it was not pursued. PMO staff mentioned, however, that they had strengthened their ability in PRA methods and monitoring of project outputs and outcomes; the mission considered this to be an important contribution by WFP. At the time of writing, it was not clear whether monitoring or follow-up relating to unfinished project activities such as food for training (FFT) would take place after December 2005. Interviews with PMOs at the province level indicated that continuation of development activities in the project areas by Government and other agencies would be based on cash rather than food. WFP will keep a small office to maintain relations with the Government; at the time of writing, its role was being discussed.
52. When the CP started in 2001, the country office had 21 national and 9 international staff; by December 2003, only 4 international staff remained. The last programme officer left in February 2005. This strategy ensured the career paths of international and national staff after December 2005. Fortunately, the country office benefited from secondments of committed, hardworking staff from provincial PMOs and from bilateral donor agreements, but there was inevitably a lack of consistent monitoring of projects and progress towards results.



Conclusions on the CP Evaluation

53. Beneficiary participation in the CP basic activities was massive. The participatory process in project preparation, planning and implementation was unanimously acclaimed by beneficiaries and technicians. The creation of VIGs and VDPs by communities empowered village people to design activities that match their needs.
54. Land development and construction of infrastructure had a major impact on households' long-term food security through increased grain yields, estimated at 30 percent by the farmers. CP activities helped to alleviate women's workloads and to create new opportunities for generating income. But women's increasing participation in agricultural activities was in addition to their traditional activities, resulting in heavier workloads.
55. Training of trainers in literacy and agriculture, demonstration plots for agricultural techniques and training of midwives and health attendants in each project village provided a solid basis for further capacity-building. The four to five days for technical skills training, as opposed to the ten days planned, were insufficient for farmers to acquire sustainable knowledge.
56. In the land, water and natural resource components, overall achievements were remarkable; but the impact on the natural resource base was reduced by the attempt to include as many beneficiaries as possible with limited resources, especially in the case of shortfalls in contributions. Designing a more comprehensive watershed plan with hamlet communities could have encompassed wider community works to increase sustainability. Resources allocated to the social-infrastructure activity were insufficient to cover the needs of all village households; comprehensive village sanitary infrastructures could not be built with the resources allocated.
57. The Government has shown strong commitment to WFP's development projects and increased its contribution. The IFAD/WFP partnership enabled integration of education, training, health and credit components, making a significant impact on improving rural livelihoods. Problems of activity synchronization were encountered, however, with delayed Government approval of IFAD loans; joint Government/IFAD/WFP mid-term reviews should have been organized to reformulate project components according to the availability of resources.
58. The programme approach intended to move away from individual projects. However, as pointed out by the evaluation of the Enabling Development Policy, "Country Programmes approved by WFP Executive Board consist of a number of specific projects, called activities, within a country for a set period, normally five years, to achieve a common goal".¹⁶ In the previous project approach, each project was submitted to some form of appraisal and was to include its own monitoring and evaluation, but with the transition to the programme approach, the appraisal was only carried out at the country programme level.

¹⁶ In "Evaluating the WFP Enabling Development Policy", November 2004; Development Research Network (DRN)-led consortium.



59. The design of the China CP was based on the assumption that the IFAD/WFP partnership would enable WFP to consider that appraisal conducted through IFAD under its own procedures could be used as a shared baseline within which WFP could define its own contribution. But limited use was made of IFAD technical studies, and so the design of the CP became less site-specific and sector-specific than in the past; the design and planning of activities was reduced to a list of individual assets to be created, and lost the integrated geographical or watershed approach.

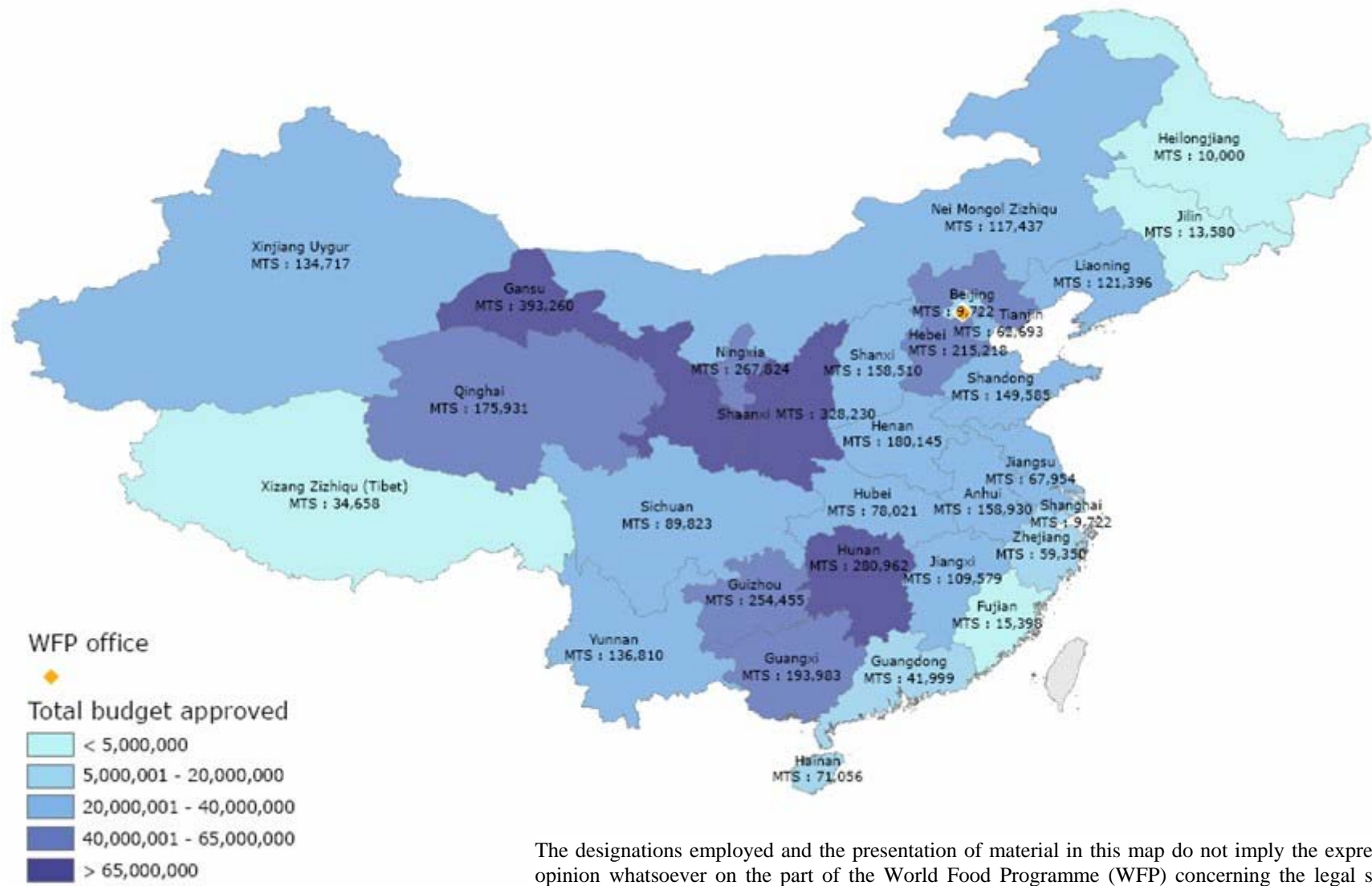
PART III: LESSONS LEARNED

60. FFW had a lasting impact on household food security, notably through schemes for improving dry land improvement and for irrigation. The steady increase in productivity and farmers' incomes provided a basis for further diversification of activities, social infrastructure development and access to off-farm income. FFT is essential for human capacity-building, but it cannot achieve its full benefit as a stand-alone activity. Literacy and basic health and nutrition training had an important impact on empowerment of the poor, especially women. Training requires a long-term effort that should continue after project completion. The Government's commitment, technical supervision and non-food inputs were instrumental.
61. Better results are gained through increased involvement of beneficiaries in the project cycle through PRA methods in project preparation, planning and monitoring. Improved beneficiary participation enabled actual needs to be matched; village populations were empowered through the creation of VIGs and VDPs, which led to further commitment among beneficiaries. Increased consideration of the role of women and their participation in project activities was essential. Various external factors contributed to the successful implementation of projects: availability of markets, access to credit and non-food inputs, agricultural extension and government commitment at all levels.
62. Project formulation, technical reviews and evaluation missions are essential instruments for project implementation and corporate learning. Systematic technical reviews and evaluations are needed during implementation to adapt operational plans to changing needs or new technical requirements that may emerge. Technical assistance and supervision are essential. More attention should be given to maintenance and access to technical knowledge. The decrease of in-depth appraisals and mid-term reviews at the project or activity level since the transition to the programme approach and the consequent problems with quality demonstrate the importance of these exercises.
63. When limited resources are spread out, the required synergy between project activities is insufficient. Multiple interventions in numerous communities to reach more beneficiaries do not result in sustainable impact. But comprehensive watershed management or sound village sanitary development involving long-term planning by the communities proved to be an efficient approach to sustainable development.
64. The value-added from cooperation among United Nations agencies, international institutions, bilateral and other organizations is essential to success. However, systematic appraisal and monitoring of all activities undertaken in common is necessary. When more than one international institution is involved in implementation, more attention needs to be paid to coordination to ensure that inputs are correctly timed and that reporting is harmonized.



65. Particular attention should be paid to ensuring proper phase-out for a country office starting an exit strategy. A minimum of professional staff should be present to follow up on activities, and adequate resources of commodities and staffing should be guaranteed. It is crucial during phase-out to ensure sustainability and to capitalize on experience.
66. Committed Government action is essential for an integrated approach to poverty alleviation. Creation of the Leading Group on Economic Development of Poor Areas appointed by the State Council was a significant step forward: it led to the support and commitment of government authorities at all levels, which led to cooperation among technical bodies. The PMO structure was a successful integration of different ministries for implementing multi-sectoral development projects, enhancing the IRD approach. The model of progressive increases in counterpart funding, funding of implementing structures (the PMO model) and government cost-sharing for ocean freight and landside transport should be explored for replication in other countries with similar capacity.



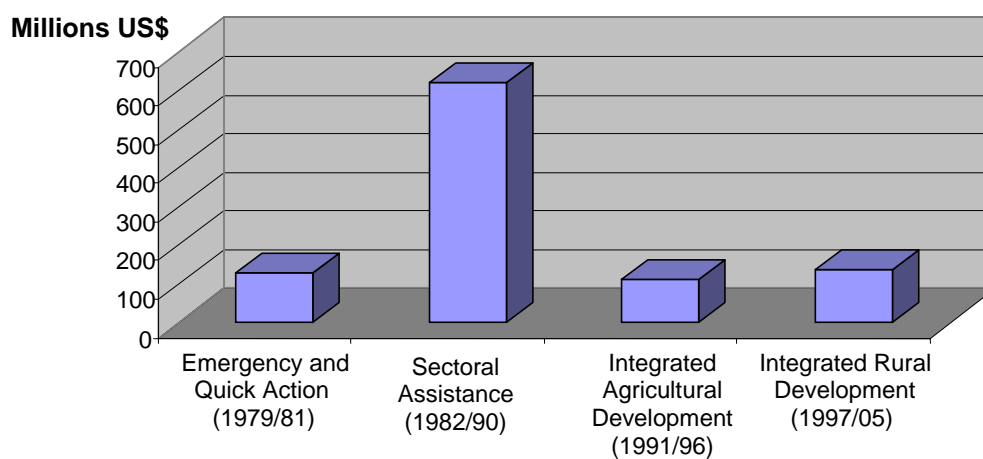


The designations employed and the presentation of material in this map do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.

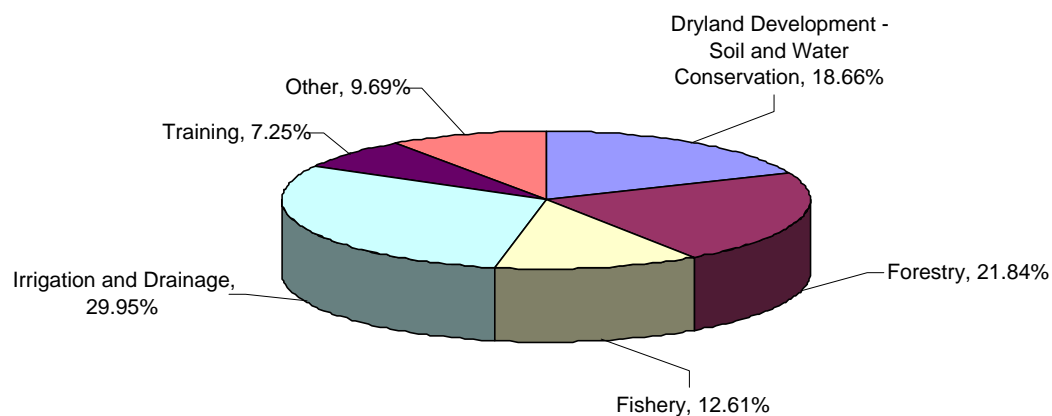
ANNEX

PLANNED CONTRIBUTIONS TO WFP-ASSISTED PROJECTS (1979–2005) (US\$)						
WFP		IFAD		Government of China		Total
Total cost	%	Total cost	%	Total cost	%	US \$
999 967 000	43.2	148 264 000	6.4	1 163 991 000	50.4	2 312 220 000

Graph 1: Allocation of WFP Resources per Phase (1979–2005)



Graph 2: Allocation of WFP Resources per Activity



ACRONYMS USED IN THE DOCUMENT

ACWF	All China Women's Federation
BPR	Business Process Review
CICETE	China International Centre for Economic and Technical Exchange
CP	country programme
CSO	Country Strategy Outline
DRN	Development Research Network
DSC	direct support costs
ECW	Enhanced Commitments to Women
EIRR	economic internal rate of return
EMOP	emergency operation
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
FFT	food for training
FFW	food for work
IAD	integrated agricultural development
IFAD	International Fund for Agricultural Development
IRD	integrated rural development
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation
ODOC	other direct operating costs
OEDE	Office of Evaluation
PMO	project management office
PRA	participatory rural appraisal
UNDAF	United Nations Development Assistance Framework
VAM	vulnerability analysis and mapping
VDP	village development plan
VIG	village implementation group

