



1. Project Data

Project ID P163138	Program Name Guangxi Poverty Reduction PforR	
Country China	Practice Area(Lead) Agriculture and Food	
L/C/TF Number(s) IBRD-88900	Closing Date (Original) 31-Dec-2021	Total Program Cost (USD) 399,999,999.99
Bank Approval Date 22-Jun-2018	Closing Date (Actual) 31-Dec-2021	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	400,000,000.00	0.00
Revised Commitment	400,000,000.00	0.00
Actual	399,999,999.99	0.00

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2. Program Context and Development Objectives

a. Objectives

The Program Development Objective (PDO) of the Program-for-Results (PforR) operation was **"to enhance the impact and efficiency of the Guangxi Consolidated Poverty Reduction Program in the Targeted Counties"** (Loan Agreement, schedule 1, page 5).



The PforR targeted 28 counties in Guanxi government's Consolidated Poverty Reduction Program (CPRP), which covered 54 counties designated as "poverty-stricken counties" among all 106 counties in the region (ICR, paras 11 and 23).

The following two individual objectives are assessed in this ICR Review:

Objective 1. To enhance the impact of the Guangxi Consolidated Poverty Reduction Program in the Targeted Counties.

Objective 2. To enhance the efficiency of the Guangxi Consolidated Poverty Reduction Program in the Targeted Counties.

b. Were the program objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

Results Area 1. Improved Income Generation for the Rural Poor (Planned: US\$ 260.00 million; Actual: US\$ 260.00 million). Under this result area, the PforR set four disbursement linked indicators (DLIs) to encourage: (i) increased allocation of the Consolidated Poverty Reduction Fund (CPRF) toward the development of farmers' cooperatives and Poverty Reduction Leading Enterprises (PRLEs); (ii) introduction of poverty reduction accreditation mechanisms for the enterprises and improved operational and governance standards and poverty targeting of farmer cooperatives; and (iii) skills training through the New Professional Farmer Development Program.

Results Area 2. Improved Infrastructure for the Rural Poor (Planned: US\$ 81.90 million; Actual: US\$ 81.90 million). The PforR set two DLIs to: (i) support upgrading and/or renovation of village-level drinking water supply infrastructure; (ii) incentivize the Guangxi government to prepare improved technical standards for rural road segments in high-risk areas to mitigate climate-related risk; and (iii) support improved project selection, preparation, and management processes to enhance the efficiency of infrastructure investment projects for sustained poverty reduction results.

Results Area 3. Cross-cutting Issues for Enhanced Program Implementation (Planned: US\$ 54.90 million; Actual: US\$ 54.90 million). The PforR set two DLIs to strengthen the full cycle of program implementation monitoring by linking budget outlays, activities, and expenditures with the expected outputs and outcomes, through program-based budgeting.

e. Comments on Program Cost, Financing, Borrower Contribution, and Dates

Program Cost. At appraisal, the total program cost estimate was US\$5.530 billion (PAD, para 33). At program closing, the actual cost was US\$ 5.529 billion (ICR, annex 3, page 44).



Financing. At appraisal, the operation was planned to be financed by an IBRD loan of US\$ 400 million (PAD, para 33). The amount disbursed was the same as the estimate (ICR, annex 3, page 44).

Borrower Contribution. The borrower contribution was estimated at US\$ 5.130 billion at appraisal (PAD, para 33). The actual contribution at closing was US\$ 5.129 billion (ICR, annex 3, page 44).

Dates. The operation was approved on June 22, 2018, and became effective on December 14, 2018. The operation was closed on December 31, 2021, which was the same as the original closing date.

3. Relevance

a. Relevance of Objectives

Rationale

Country and Sector Context. Poverty levels in China had rapidly declined from 88.3 percent in 1981 to 6.5 percent in 2012; however, there were still around 70 million registered poor individuals in 2014 (ICR, para 1). The country's 13th Five-Year Plan (FYP) (2016–2020) aimed at eliminating extreme poverty in rural areas by 2020 through two institutional innovations: the National Poverty Registration System (NPRS) established in 2013 to enable accurate targeting of poor households and villages; and the concept of decentralization of poverty reduction efforts introduced in 2016 to enable regional and local authorities to flexibly reallocate funds according to their poverty reduction priorities (ICR, para 1). The Central Government also significantly increased financial transfers for poverty reduction programs, especially to the lagging regions, including Guangxi Zhuang Autonomous Region. Guangxi was one of the ten provinces in China with rural poverty rates above 7 percent and one of the six provinces with more than 3 million rural poor as of 2016 (PAD, para 6). Poverty reduction in Guangxi was closely linked to rural net incomes driven mainly by agricultural activities (PAD, para 7). The lack of income was the main cause of poverty mentioned more often during interviews for the NPRS (PAD, para 7). In some counties, other gaps, such as lack of access to roads or safe drinking water, could be the significant cause of poverty (PAD, para 7). In addition, Guangxi was also classified with high river flood risks and medium water scarcity risks, especially in karst mountain areas where most rural poor are located (PAD, para 8).

Alignment with Sector Strategy. At the time of the PforR Program closing, the PDO aligned with the Country Partnership Framework (CPF) for FY2020–2025, which aimed to achieve more effective and sustainable subnational fiscal management and infrastructure financing (objective 1.2) and demonstrate sustainable agriculture practices and improving food system quality and safety (objective 2.3) (CPF, pages 25 and 70). In closing, the PDO was also in line with the 14th FYP (2021–2025), especially its theme on the value chain development approach to agricultural modernization and rural infrastructure development by enhancing the impact of public investments in rural revitalization (ICR, para 22).

World Bank Previous Sector and Country Experience. The World Bank had over 25 years of experience in supporting the country's endeavor to reduce poverty prior to this PforR (PAD, para 10). Elevating the Bank's engagement in rural poverty reduction to a PforR instrument was consistent with the Bank's long-term strategy in the sector and the government's increasing focus on improving public expenditure performance and results (PAD, para 11). In particular, the Guangxi Poverty Alleviation Project (P153892) facilitated a



dialogue to transition to the PforR instrument by engaging sub-national stakeholders and providing a good practice on enhancing value chains through strengthening farmer cooperatives (ICR, para 10).

Country Capacity and Adequacy of PforR Instrument. This was one of China's first poverty reduction PforRs implemented by a sub-national entity (PAD, para 87). The PforR's design and scope were informed by the NPRS data and high-quality poverty assessments, the assessments on the technical, fiduciary system, and environmental and social system completed in May 2018 for preparation of this PforR, and the lessons from the prior operations (ICR, para 10). The rationale for using the PforR instrument was: (i) although the government sought to stimulate economic activities for poor rural households and their farmer cooperatives by fostering partnerships with various stakeholders in the value chain, incentives to private agricultural enterprises and support to farmer cooperatives did not come with explicit poverty targeting requirements; and (ii) the agricultural industrialization activities seemed to be under-funded in Guangxi's Consolidated Poverty Reduction Fund (CPRF) budgets, which allocated only about 2.6 percent of the funding to cooperative and enterprise development support activities (ICR, para 3).

Regarding the risk associated with the institutional capacity to implement the PforR, the PAD (para 87) noted that the main risk was identifying a qualified third-party verification agency. To address the risk, the World Bank team planned and implemented risk mitigation measures, including helping the counterparts to improve the quality of terms of reference, advising on the qualification of consulting agency and procurement methodology, and reviewing the proposed bidding documents and work plans submitted by the bidders (The TTLs' response to IEG's questionnaire on the PforR, hereafter, TTL response). As a result, although the outbreak of the COVID-19 pandemic in early 2020 was disruptive to the implementation, including the result verification activities, the institutional capacity risk was mitigated as a competent third-party verification agency was already on board before the outbreak (ICR, para 47).

In sum, the PDO aligned with the CPF objectives at the time of the PforR Program closing and reflected the lessons from the Bank's previous sector experience. The PforR instrument aligned with the Bank's long-term strategy in the sector and the implementing capacity of the sub-national entity. The PDO formulation is pitched at the impact level of the results chain and is adequately pitched to address the identified development problem. Thus, the relevance of objectives is rated high.

Rating

High

b. Relevance of DLIs

DLI 1

DLI

Number of Enterprises accredited as Poverty Reduction Leading Enterprises (PRLEs)

Rationale

Increasing the number of accredited PRLEs directly supported increasing the purchases by PRLEs from farmers and farmer cooperatives (DLI 3) and contributed to increasing the income of poor households (PDO



indicator 1). The PAD (section II.D. and annex 2) provided a clear definition of PRLEs based on the Borrower's legal framework and the verification protocol. The first two DLIs and related actions in the Program Action Plan (PAP), albeit located upstream the results chain, aimed to establish institutional mechanisms for the selection and development of enterprises and farmer cooperatives to enhance poverty targeting and encourage counties to allocate more budgets from the Consolidated Poverty Reduction Fund (CPRF) on poverty reduction programs to broaden their coverage (PAD, para 35). The relevance of DLI 1, thus, is rated high.

Rating
High

DLI 2

DLI

Number of Pro-poor Farmer Professional Cooperatives Meeting the Operational Standards

Rationale

Increasing the number of pro-poor farmer professional cooperatives with high performance standards directly supported increasing the purchases by PRLEs from farmers and farmer cooperatives (DLI 3) and contributed to increasing the income of poor households (PDO indicator 1). The PAD (section II.D. and annex 2) provided a clear definition of pro-poor farmer professional cooperatives based on the Borrower's legal framework and the verification protocol. The pro-poor farmer professional cooperatives meant cooperatives where at least 30 percent of its members were registered poor households or 40 percent of all registered poor households in each of the covered administrative villages were members of said cooperative (PAD, para 40). Given this definition, this indicator was appropriate for the PDO outcome of the income of poor households increased. The relevance of DLI 2, thus, is rated high.

Rating
High

DLI 3

DLI

Value of annual purchases of agricultural products by accredited PRLEs from farmers and farmer professional cooperatives

Rationale

Increasing the annual purchases of agricultural products by accredited PRLEs from farmers and farmer professional cooperatives contributed to increasing the income of poor households (PDO indicator 1). DLI 3 was expected to translate the institutional enhancements (incentivized under DLI 1 and DLI 2) into increased procurement of agricultural produce from farmers and their cooperatives by accredited PRLEs (PAD, para 37). The PAD (section II.D. and annex 2) provided a clear definition of the indicator and the verification protocol. The relevance of DLI 3, thus, is rated high.



Rating
High

DLI 4
DLI

Number of farmers completing the New Professional Farmer Development Training Program

Rationale

Increasing the number of farmers completing the scaled-up training program supported the farmers to increase their ability to benefit from agricultural industrialization activities (PAD, para 37). The PAD (section II.D. and annex 2) provided a clear definition of the indicator and the verification protocol. The DLI supported an enhancement of rural women's participation in the farmer skills development program by organizing training programs together with China Women Union and providing follow-up technical support to rural women who completed training programs (PAD, para 45). The training program aimed to enhance the quality and quantity of their produce and adopt climate-smart technologies by including modules for enhancing the capacity to manage livestock waste (ICR, para 30). The relevance of DLI 4, thus, is rated high.

Rating
High

DLI 5
DLI

Number of Registered Poor Persons with New Piped Drinking Water Connections

Rationale

Increasing access to piped drinking water connections contributed to enhancing the quantity of water supply services provided to the poor households. The PAD (section II.D. and annex 2) provided a clear definition of the indicator and the verification protocol. The random sampling methodology used in the verification protocol ensured that the poor households were connected to the pipelines that were newly built or rehabilitated under the PforR. The relevance of DLI 5, thus, is rated high.

Rating
High

DLI 6
DLI

Number of Targeted Counties with an IT-based infrastructure project management system

Rationale

Increasing the counties with an IT-based infrastructure project management system contributed to objective 2. The PAD (section II.D. and annex 2) provided a clear definition of the indicator and the verification protocol. The system integrated systems to manage infrastructure projects (i.e., budget, asset, performance, and



M&E), which contributed to accelerate initiation of projects (i.e., the percentage of projects starting within 3 months of scheduled time increased from 90.53 percent in 2019 to 97.78 percent in 2020) (ICR, para 34). The relevance of DLI 6, thus, is rated high.

Rating
High

DLI 7

DLI

Number of Targeted Counties with Annual Program-based Budgeting Plans and Annual Program-based Expenditure Reports

Rationale

Increasing the countries with annual plans and reports on program-based budgeting and expenditure contributed to the second objective in the PDO. With the consolidation of funds reform, effective resource allocation and implementation hinged largely on the counties, as reflected in their annual budget prioritization processes. The PAD (section II.D. and annex 2) provided a clear definition of the indicator and the verification protocol. The relevance of DLI 7, thus, is rated high.

Rating
High

DLI 8

DLI

Establishment of poverty data platform for Monitoring and Evaluation of poverty reduction programs in Guangxi

Rationale

Establishing the poverty data platform for M&E of poverty reduction programs contributed to objective 2. The platform started to provide M&E data for poverty reduction programs from 2019 to inform budget management, poverty monitoring, infrastructure monitoring, and project performance monitoring (ICR, para 34). The platform enabled the Regional Rural Revitalization Bureau (former Rural Poverty Reduction Office) to access the data managed by other government departments (ICR, para 34). The PAD (section II.D. and annex 2) provided a clear definition of the indicator and the verification protocol. The relevance of DLI 8, thus, is rated high.

Rating
High

OVERALL RELEVANCE RATING



Rationale

The DLIs were clearly defined with verification protocols specified in the PAD. While all eight DLIs were intermediate indicators in the results framework, the DLIs were consistent with the Theory of Change and able to capture milestones towards the Program's aspired longer-term outcome (ICR, para 25). The DLIs were selected in a way that provided the necessary flow of funds to move implementation forward. There was a mixture of fast-disbursing (e.g., DLIs 4-5 that were largely delivered by government agencies) and slow-disbursing DLIs (e.g., DLIs 1-3, which required engaging multiple stakeholders, such as farmer cooperatives and enterprises; and establishment of enterprise vetting and access to the business development services), along with scalable disbursement features, which smoothed out disbursements and maintained client enthusiasm (ICR, para 43). The amounts allocated to the achievement of each DLI provided the incentive needed for achieving the Program objectives. In specific, the PforR allocated 70 percent of the total financing amount to DLIs 1-5 that strengthened poverty targeting of the Guangxi Consolidated Poverty Reduction Program and contributed to enhancing its impact (objective 1). The overall relevance of DLIs is rated high given that all the eight DLIs was highly relevant to the PDO.

Therefore, the overall relevance is rated high, based on the highly relevant objectives and DLIs.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To enhance the impact of the Guangxi Consolidated Poverty Reduction Program in the Targeted Counties

Rationale

Theory of Change (ToC): The ToC of objective 1 postulated that the inputs including providing training and accreditation to become Poverty Reduction Leading Enterprises (PRLEs), strengthening cooperatives' performance standards, and providing training on skills and climate-smart agriculture to farmers would result in the outputs including the increases in accredited PRLEs (DLI 1), pro-poor farmer professional cooperatives with operational standards meeting national law (DLI 2), and the farmers (especially female and poor farmers) completing training program (DLI 4). These outputs were postulated to contribute to the intermediate outcome of the increased purchases by PRLEs from farmers and farmer cooperatives (DLI 3) and the outcome of the increased income of poor households (PDO indicator 1). The ToC also postulated that the inputs including increasing water supply facilities with improved quality standards and improving rural road standards would result in the outputs including the construction and rehabilitation of drinking water supply facilities and the improvements on standards for water supply facilities and rural roads. These outputs were postulated to contribute to the intermediate outcomes of the increased access of registered poor persons to new piped drinking water connections (DLI 5) and to rural roads and the outcomes of the percentage of registered poor



households having access to drinking water and rural roads (PDO indicator 2). In the long-term, the above outcomes were postulated to contribute to the improved well-being of Guangxi residents.

Some of the critical assumptions included: (i) adequate willingness and capacity of enterprises to be accredited as PRLEs; (ii) adequate capacity of pro-poor cooperatives to meet requisite operating standards; (iii) adequate participation by farmers in the skills development program; and (iv) successful implementation of the water and roads program activities.

Outputs/Intermediate Outcomes (ICR, paras 28-37 and annex 1):

- DLI 1: 104 enterprises were accredited as Poverty Reduction Leading Enterprises (PRLEs), exceeding the target of 100 enterprises.
- 28 targeted counties had newly accredited poverty countries with PRLEs, meeting the target of 28 counties.
- DLI 2: 515 pro-poor farmer professional cooperatives met operational standards, achieving the target of 500 cooperatives.
- 30 percent and 33.63 percent of the members of pro-poor farmer professional cooperatives were registered poor persons and women, respectively, meeting the target of 30 percent each.
- 101,286 farmers were reached with agricultural assets or services, meeting the target of 100,000 farmers. Of the total, 30,386 farmers were women, meeting the target of 30,000 female farmers.
- DLI 3: Annual purchases of agricultural products by PRLEs from farmers and farmer cooperatives reached 2.352 billion RMB, exceeding the target of 2 billion RMB.
- DLI 4: 41,745 farmers completed training program, increasing from the baseline of 4,291 farmers and exceeding the target of 40,000 farmers. Of the farmers who completed the training program, 60.51 percent of them were women, increasing from the baseline of 25 percent and doubling the target of 30 percent. Moreover, 42.73 percent of the farmers who completed the training program were registered poor persons, increasing from the baseline of 10 percent and more than doubling the targets of 18 percent.
- 95 percent of survey respondents were satisfied with the services provided by the New Professional Farmer Development training program, exceeding the target of 70 percent. The data was collected by a beneficiary satisfaction survey covering a sample of 256 farmer training participants. Additionally, the sampling results (June–August 2020) of the survey indicated that trainees utilized the climate-smart agricultural techniques taught at the training program. The overall livestock waste utilization and disposal rate was 98.24 percent; and about 91.48 percent of surveyed livestock farms were equipped with waste treatment facilities. Furthermore, all the surveyed counties had put in place mechanisms for environmental impact assessment, pollution control and management, accountability, and performance assessment of its livestock waste facilities.
- DLI 5: 261,198 registered poor persons had new piped drinking water connections, increasing from the baseline of 95,400 persons and exceeding the target of 210,000 persons.
- 94.85 percent of survey respondents were satisfied with the drinking water supply services, exceeding the target of 70 percent. The data was collected by a beneficiary satisfaction survey covering a sample of 415 poor rural families.
- Paved road connectivity rate of natural villages with at least 20 households reached 100 percent, increasing from the baseline of 81.30 percent and exceeding the target of 85 percent. The Guangxi



Rural Revitalization Bureau prepared guidelines on the operation and maintenance of these roads to ensure their sustainability.

Outcomes (ICR, paras 28-37 and annex 1):

- PDO indicator 1: Production income of registered poor households in targeted counties (in RMB) increased from the baseline of 11,041 RMB to the actual of 15,101 RMB, meeting the target of 15,000 RMB.
- PDO indicator 2: Percentage of registered poor households with access to selected infrastructure assets according to 8+1 poverty criteria in targeted counties increased, as described in the following. On the other hand, the combination of indicators on access to basic infrastructure assets and services was not adequate to measure to what extent the quality and the utilization of basic infrastructure assets and services improved.
 - 100 percent of registered poor households had access to rural roads, increasing from the baseline of 96 percent and meeting the target of 98 percent.
 - 100 percent of registered poor households had access to safe drinking water, increasing from the baseline of 78.60 percent and exceeding the target of 85.40 percent.

The registered poor households in 28 poverty-stricken counties increased their production incomes and obtained access to safe drinking water and rural roads. The customers of the water supply services were mostly satisfied with the services. Moreover, the PforR's methodologies and approaches were scaled up from the 28 PforR counties to all 106 counties in the Guangxi using the province's own program resources (ICR, para 23). The two PDO indicators met or exceeded the targets. Nevertheless, it is yet to be observed whether the increased access to basic infrastructure assets and services would be sustained to contribute to the reduction of multi-dimensional poverty and the improvement of well-being of the Guangxi residents in the long-term. Overall, the achievement of objective 1 is rated high.

Rating

High

OBJECTIVE 2

Objective

To enhance the efficiency of the Guangxi Consolidated Poverty Reduction Program in the Targeted Counties

Rationale

Theory of Change (ToC): The ToC of objective 2 postulated that the inputs including developing software for infrastructure projects management (DLI 6), program-based budgeting, and poverty-related data integration would result in the outputs including the increase in counties with annual program-based budgeting plans and expenditure reports (DLI 7) and the establishment of a poverty data platform for M&E of poverty reduction (DLI 8). The outputs were postulated to contribute to the intermediate outcome of the establishment and operationalization of the management information system (MIS) integrating the data from the above three IT systems and the outcome of the enhanced efficiency in data management and analysis which would result in publishing the Integrated Consolidated Fund Program-based Performance Monitoring Reports (PDO indicator



3). In the long-term, the above outcomes were postulated to contribute to the improved well-being of Guangxi residents.

Some of the critical assumptions included: (i) adequate capacity of the government agencies to operate and maintain the IT systems and analyze the integrated data; and (ii) successful implementation of activities to enhance the IT systems.

Outputs (ICR, paras 28-37 and annex 1):

- DLI 6: 28 targeted counties had an IT-based infrastructure project management system in their counties, meeting the target of 28 counties. It improved the efficiency of project management. For instance, timely starting of projects (within 3 months of scheduled time) increased from 90.53 percent in 2019 to 97.78 percent in 2020.
- DLI 7: 28 targeted counties had annual program-based budgeting plans and annual program-based expenditure reports, meeting the target of 28 counties. The Guangxi Department of Finance (DOF) used the expenditure reports to monitor and support the county governments to execute budgets. It contributed to the increase in the overall budget execution among poverty-stricken counties from 95.86 percent in 2019 to 98.14 percent in 2020. The Guangxi DOF received an award of excellence and a financial reward of RMB 560 million from the central Ministry of Finance for developing an innovative system for annual program-based budget-planning and expenditure reporting (ICR, para 23).
- DLI 8: The poverty data platform for M&E of poverty reduction was established, meeting the target. The national poverty data platform was operationalized in 2019 by integrating four datasets on budget management, poverty monitoring, infrastructure monitoring, and project performance monitoring. The platform was upgraded after 2020 to cover not only extremely poor households but also households with the risk of falling back into extreme poverty and to cover rural infrastructure and public services under the rural revitalization program (ICR, para 23). This upgrade enabled the Regional Rural Revitalization Bureau (former Rural Poverty Reduction Office) to track down households vulnerable to natural and economic shocks and at the border of the poverty line.

Outcome (ICR, paras 28-37 and annex 1):

- PDO indicator 3: Three Integrated Consolidated Fund Program-based Performance Monitoring Reports were published, meeting the target of 3 reports. The Guangxi DOF prepared annual reports with inputs from line agencies and 28 targeted counties through the MIS that integrated data from the above three IT-systems for infrastructure project management (DLI 6), program-based budgeting and expenditure reporting (DLI 7), and results monitoring (DLI 8). The government was enabled to analyze the correlation between budget allocation, fund expenditure, project management and the results, and identify the areas for improvement (TTL response).

The operation fully achieved the intended outcome of the enhanced efficiency in consolidating data from a wide range of stakeholders and analyzing comprehensive data to improve the implementation efficiency of the Guangxi Consolidated Poverty Reduction Program. The relevant PDO indicator met the target. Nevertheless, it is yet to be observed to what extent the management information system (MIS) will be continuously maintained (ICR, para 61) to contribute to the reduction of multi-dimensional poverty and the



improvement of well-being of the Guangxi residents in the long-term. Overall, the achievement of objective 2 is rated high.

Rating
High

OVERALL EFFICACY

Rationale

The two objectives in the PDO were highly achieved. Thus, the overall efficacy is rated high.

Rating
High

5. Outcome

The overall relevance is rated high, based on the highly relevant objectives and DLIs. The overall efficacy is rated high, as the achievements of both two objectives under the PDO are rated high. Therefore, the outcome is rated highly satisfactory.

Outcome Rating
Highly Satisfactory

6. Risk to Development Outcome

Stakeholder ownership risk. There was a potential risk that pro-poor cooperatives might not fulfill all operating standards if the oversight was discontinued (ICR, para 61). To mitigate the risk, the Ministry of Agriculture and Rural Affairs and 11 associated ministries adopted a policy in September 2019 to emphasize the need to upgrade the standards of farmer cooperatives as sustainable and effective rural economic institutions (ICR, para 61). Moreover, the management information system (MIS) integrated the information of the pro-poor cooperatives as one of the actions in the Program Action Plan to facilitate oversight and tailored support (ICR, para 61).

Technical risk. There were potential risks that the established MIS and the rural infrastructure might not be adequately maintained to continue providing quality services. To mitigate the latter risk, the Guangxi Department of Transport published the Technical Standards of Low Volume Rural Highway Engineering in June 2019, aiming to improve the quality of rural roads (ICR, para 62). Additionally, the government prepared a design manual for rural water supply and provided training to technicians of the county design teams based



on the manual (ICR, para 62). Furthermore, the government integrated operations and maintenance requirements into general infrastructure plans and included modules for assets management and M&E in the IT-based system.

7. Assessment of Bank Performance

a. Quality-at-Entry

The strategic relevance and the choice of the PforR instrument were adequate, as described in section 3. The technical, financial, and economic aspects were adequately assessed during preparation. The program was technically simple, financially feasible, and with unit costs consistent with similar activities elsewhere in the province and the country (ICR, para 57). Poverty, gender, and social development aspects were thoroughly integrated into the design. The PforR encouraged women's access to training under the New Professional Farmer Development Program, promoted climate-smart technologies in crop and livestock production systems, and established a grievance redress mechanism to receive any concerns from society (ICR, para 57). The fiduciary aspects were adequately designed in general, as described in section 9.b. The M&E arrangements were adequate, as described in section 8.a. The World Bank's multidisciplinary team provided detailed assessments on technical and poverty aspects, which ensured client engagement and contributed to accelerating the preparation process to be completed in 8 months (ICR, para 57). Thus, the quality at entry is rated as Highly satisfactory.

Quality-at-Entry Rating

Highly Satisfactory

b. Quality of supervision

The focus on development impact was adequate, as the PforR focused on rural poverty reduction and sufficiently monitored the outcome indicators regarding the registered poor households' income and access to key infrastructure assets. The World Bank team members were mostly country-based, which enabled them to provide support in a timely manner and conduct missions regularly (i.e., eight missions over the implementation period of three and a half years) even after the COVID-19 pandemic broke out (ICR, para 58). The PforR closed on the originally planned date. When one of the co-task team leaders was changed, the handover was smoothly conducted (ICR, para 58). The transition arrangements were adequate, as the innovative measures used in the PforR was spread widely outside the operation, including the rolling out of the PforR's methodologies and approaches to all counties in the Guangxi province using its own resources (ICR, para 23). Thus, the quality of supervision is rated as Highly satisfactory.

Overall, the World Bank's performance is rated Highly satisfactory, based on the highly satisfactory performance at entry and during supervision.



Quality of Supervision Rating

Highly Satisfactory

Overall Bank Performance Rating

Highly Satisfactory

8. M&E Design, Implementation, & Utilization

a. M&E Design

The PDO formulation was appropriately pitched at the impact level of the results chain and clearly formulated to address the identified development problem. The theory of change was logical and well-reflected in the results framework. The results chains for income generation and improved infrastructure in the Technical Assessment (figure 7 on pages 56-57 and Figure 8 on pages 62-63, respectively) were comprehensive, contributing to the soundness of the results framework for objective 1. The adequate indicators in the results framework supplemented the PDO statement well to clarify the intended outcomes for objective 2. The DLIs were highly relevant to the PDO and verifiable by the planned protocol, as described in section 3. b. The actions in the Program Action Plan (PAP) were well-linked to the DLIs, with five of the nine actions directly driving their corresponding DLIs. In comparison, the remaining four actions helped the PforR in critical aspects (e.g., pushing reforms on infrastructure standards, supporting manure handling, and promoting community participation) (ICR, para 57). The M&E design and arrangements were well-embedded institutionally, as the results area 3 of the PforR strengthened the M&E system to monitor not only the final outcomes but also the full cycle of program implementation by linking budget outlays, activities, and expenditures with the expected outputs and outcomes (ICR, para 48).

b. M&E Implementation

The baseline data was collected as planned. The indicators in the results framework including DLIs were measured and reported in line with the verification protocol. The M&E system was adequately staffed and implemented (ICR, para 49). The PAP and DLIs were fully implemented (ICR, para 44). The M&E data was found to be reliable and used in monitoring the program implementation progress and complying with policy requirements and supporting the decision-making process (ICR, para 49). The M&E functions and processes were likely to be sustained after Program closing given that the poverty monitoring system were expanded to cover rural infrastructure and public services under the rural revitalization program in the current 14th FYP (2021–2025) (ICR, paras 22-23). The beneficiary survey conducted at the time of the PforR closing supplemented the output-level indicators in the results framework to measure achievements towards achievement of objective 1.

c. M&E Utilization

The M&E findings were communicated to a wide range of stakeholders in national, regional, and county levels to inform the program direction. The M&E data provided evidence of achievement of outcomes and tested the links in the results chain.



The M&E was logically and thoroughly designed based on the technical assessment, which enabled the adequate implementation and use of the M&E. Thus, the overall quality of M&E is rated high.

M&E Quality Rating

High

9. Other Issues

a. Safeguards

Environmental. At appraisal, OP 7.50 on International Waterways was triggered as the Program activities could potentially involve water extraction for rural water supply systems and irrigation from the Pearl River Basin (PAD, para 83). The ESSA concluded that the PforR fell within the riparian notification exception under paragraphs 7(a) and 7(c) of OP 7.50, thus the Regional Vice President approved the riparian notification exception in line with the OP (PAD, para 84). Furthermore, at appraisal, the PAD (para 81) noted that pest management and livestock waste management activities supported under the PforR might have potential negative impacts or risks. To mitigate the risk, the Environment and Social Systems Assessment (ESSA) recommended strengthening the technical capacity of staff in county livestock bureau to enhance technical training and support to farmers through one of actions under the Program Action Plan (PAP) (PAD, para 81). At the PforR closing, a survey conducted in June–August 2020 indicated that the overall livestock waste utilization and disposal rate was 98.24 percent; and about 91.48 percent of surveyed livestock farms were equipped with waste treatment facilities (ICR, para 53). In addition, all the surveyed counties had put in place mechanisms for environmental impact assessment, pollution control and management, accountability, and performance assessment of its livestock waste facilities (ICR, para 53).

Social. At appraisal, the assessment of social risks of the activities to be supported under the PforR concluded that there could be limited social risks in terms of land acquisition or voluntary land donations and land transfers, effective participation and consultation, and grievance redress mechanism. To mitigate the risk, the ESSA recommended developing a community participation and consultation manual by a PAP action (PAD, para 82). Additionally, consultations with key stakeholders and the public were conducted to discuss and share information on policies and procedures on land acquisition and resettlement, land use right transfer, ethnic minority development (PAD, para 85). As a result, throughout implementation, no social conflicts or adverse social outcomes were reported to the grievance redress mechanism of the government program (ICR, para 54).

b. Fiduciary Compliance

Financial Management. At appraisal, the financial system assessment identified two risks that: (i) the potential delay in receiving higher level earmarked grants late in the fiscal year might jeopardize the implementation quality; and (ii) the content of PforR's monthly report might be unreliable to support value for money decision making (PAD, para 78). These risks were mitigated by the strong pipeline of projects that were small and ready to be implemented in a short period, policy allowing the budget and implementation to be rolled over into the following year, and the agreed refinement to the design of the monthly report together with instructions for counties to prepare the monthly report (PAD, para 78). At



closing, the overall financial management system surrounding the Annual Fund Use Plan (AFUP) was found to be adequately implemented by the capable financial staff in the regional Department of Finance (DOF) and county finance bureaus (ICR, para 55). In addition to monthly reporting and reconciliation, on-site inspection was conducted by the regional DOF and the Guangxi Audit Office in program counties to ensure proper usage of the AFUP (ICR, para 55). Fiduciary risks identified during the PforR appraisal were further mitigated by establishing an IT-based project management system (DLI 6) and adopting program-based reporting (DLI 7) (ICR, para 55). For all the program years (2018-2021), the external auditors issued unqualified opinions (ICR, para 55). The Guangxi Finance Department received an award of excellence and a monetary reward from the Ministry of Finance in 2020 for developing and using an innovative program-based expenditure reporting system under the program (ICR, para 55).

Procurement. At appraisal, the World Bank team identified three potential procurement risks: (i) the limited interest of contractors to participate in the bidding process, (ii) the contracting agencies’ unawareness of the requirements in the World Bank’s Anticorruption Guidelines (ACGs), and (iii) the delay in payment to contractors due to the prolonged process to conduct final completion settlement audit (PAD, para 76). To mitigate these risks, the World Bank team suggested to adopt community participation for the procurement of small works, require the auditors to check the contracts’ compliance with the ACGs on a random basis, issue instructions from the Guangxi regional government to all agencies to comply with the ACGs, and accelerate the final completion settlement audit or proceed with the final payment upon successful completion of the contract (PAD, para 76). At closing, community participation in procurement was heavily promoted and practiced, as the pioneer communities shared their experiences with other communities through program-facilitated workshops and events and the Community Participation and Consultation Manual that combined practical experience of poverty-alleviation projects in China and Guangxi (ICR, para 56). No malfeasance in the procurement processes was reported throughout implementation (ICR, para 56).

c. Unintended impacts (Positive or Negative)

No unintended impact was reported.

d. Other

N/A

10. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Highly Satisfactory	Highly Satisfactory	
Bank Performance	Satisfactory	Highly Satisfactory	No evident shortcomings were observed during design and supervision



Quality of M&E	High	High
Quality of ICR	---	High

11. Lessons

The ICR (paras 63-67) provided five lessons. Two of them are presented below with rephrasing as they may be able to inform the future PforR operations aiming for poverty reduction.

A judicious blend of fast- and slow-disbursing DLIs can smooth out disbursements and maintain client enthusiasm. In this case, straight-forward, fast-disbursing DLIs (as was the case for infrastructure and farmer training) were combined with those requiring multi-stakeholder engagement and systems enhancement to ensure smooth disbursements. This ensured a steady flow of disbursements and client enthusiasm. In addition, the scalability of the disbursements added to the continuous flow of funds.

The PforR instrument has the potentials to better support the client in championing multi-sectoral development than an investment project financing instrument. This PforR dealt with the most impactful interventions, regardless of sector, thereby creating synergies and maximizing impact. Nevertheless, the PforR instrument requires continuous education of clients at all levels on its principles and modalities, in addition to the PforR preconditions, including the existence of a credible government program, the solid associated expenditure framework, and the credible country systems on fiduciary and safeguards (ICR, footnote 21, page 19).

12. Assessment Recommended?

No

13. Comments on Quality of ICR

The ICR is clear and provides a clear rationale for a PforR instrument. The theory of change articulated in the ICR is clear and provides clear linkages between the project activities, the output indicators and intended outcomes that were measurable. The disbursement linked indicators were based on scientifically supported data. The ICR draws good lessons from the experience of this project. The ICR adheres to the guidelines and provides a clear rationale for using the PforR as the lending instrument for this operation. The project task team swiftly provided additional information on the PforR and the ICR in response to IEG's inquiries. The quality of ICR, therefore, is rated high.

a. Quality of ICR Rating

High