



1. Project Data:		Date Posted : 03/05/2002	
PROJ ID: P003559		Appraisal	Actual
Project Name: Agric. Support Servi	Project Costs (US\$M)	238.3	214.4
Country: China	Loan/Credit (US\$M)	115	116.52
Sector(s): Board: RDV - Agricultural extension and research (63%), Animal production (37%)	Cofinancing (US\$M)	NA	NA
L/C Number: C2462			
	Board Approval (FY)		93
Partners involved : None	Closing Date	12/31/2000	06/30/2001
Prepared by :	Reviewed by :	Group Manager :	Group:
Nalini B. Kumar	Soniya Carvalho	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
The primary project objective was to assist the Government in increasing agricultural production and farmers' income through strengthening the institutions that provided support services to farmers . The project was to be implemented in 10 provinces and the Beijing and Shanghai municipalities .			
b. Components			
Project design included 7 components: agricultural management and information, agro-technical extension, livestock services, seed production, quality control and regulatory services, animal and plant quarantine services . Project objectives remained unchanged throughout the implementation period . However two adjustments were made, one at mid term review (MTR) and the other at the end of 1999. In the first adjustment, most long term training for Agro Technical Extension Center (ATEC) staff was converted to short-term in-service training because staff had difficulty entering master's courses because of entrance exam requirements . In addition some reallocation of funds was made to allow for higher than expected expenditure on goods and services . In the second adjustment the refund from the project units at the central level was reallocated to Guangxi and Hebei provinces for improvement of existing project sites and construction of new sites .			
c. Comments on Project Cost, Financing and Dates			
The project was appraised in May 1992 and became effective in July 1993. The MTR was held in March 1996 and the project closed in June 2001 after a six month extension . Total project cost at appraisal was estimated at US \$238.3 million of which the IDA credit was to be US \$ 115 million. Actual project cost was US \$ 214.45 million of which the IDA credit was US \$ 116.52 million.			
3. Achievement of Relevant Objectives:			
The project was largely successful in achieving its objectives . Agricultural development and project implementation suffered because of severe floods in both 1994 and 1998. The re-estimated economic rate of return was 48 percent against an appraisal estimate of 49 percent for scenario II . (The SAR undertook economic analysis for three scenarios, and incremental production <i>with</i> the project was assumed to vary according to assumptions made about the technology adoption rates . Scenario I was the least favorable scenario and Scenario III the most favorable . Scenario II was considered the most likely and estimated incremental production with 50 % adoption of improved existing technology and 20 % of new technology over the <i>without</i> project situation).			
4. Significant Outcomes/Impacts:			
<ul style="list-style-type: none"> • A new data base and information retrieval system that provided a means for conveying information on policies, technology and markets to farmers as well as for collecting local agricultural production information was established and commissioned; • Significant improvement in infrastructure, equipment and facilities for agricultural extension, seed supply, livestock services and quality control and regulatory services have positively affected agricultural production . A farm household sample survey carried out in June 2001 reports that rice yields increased to 7.5 metric tons per ha with the project as compared to 7.2 metric tons per ha without the project, wheat yields to 4.0 metric tons per ha with the project compared to 3.3 metric tons per hectare without the project, maize yields to 4.8 metric tons 			

per hectare with the project compared to 4.6 metric tons per ha without the project, and soyabean to 1.6 metric tons per ha with the project compared to 1.4 metric tons per hectare without the project;

- Overseas and domestic training is reported to have a major impact on improving institutional competence;
- Pilots for Farmers' Associations and Integrated Pest Management were successfully carried out;

5. Significant Shortcomings (including non-compliance with safeguard policies):

- The project was large and complex and the degree of complexity and wide area coverage was highly demanding of project management as noted by the ICR itself (section 3.1).
- The institutional restructuring of ATEC and the AHVSC (Animal Husbandry and Veterinary Service Center) could not be completed due to the government's overall program for the reform of government institutions .
- The Special Account could not be operated as planned .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Highly Likely	Likely	ES rates sustainability as likely against the ICR rating of highly likely for two reasons: (i) Though government commitment to the project is reported to be high yet the institutional restructuring which is necessary to provide efficient support services could not be completed . (ii) In China the responsibility of paying back a Bank loan is devolved to the grassroot level. Project investment that was largely put into infrastructure construction and staff training does not generate direct income creating difficult conditions for project units to repay the Bank loan as well as to sustain the investments.
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

Some important lessons are identified by the ICR . Two lessons from the ICR are repeated here: (i) Project staff should receive more substantial training in contract management, ICB and WB procurement procedures at or before project commencement if delays in implementation are to be minimized; (ii) Adequate funding and priority has to be given to monitoring and evaluation if project management is to have up to date and good information for effective project operation and management .

An additional lesson is that projects that are complex in design, cover several provinces and have several components can put a tremendous strain on the agency which has the overall responsibility for management and implementation. Though it is often claimed that institutional capacity to implement projects in China is far greater than in most other countries, yet a smaller, less complex project would have made the implementation experience smoother.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR is satisfactory but for one shortcoming : it does not provide adequate detail on the ERR calculations .