

1st China Development Marketplace

Final M&E Report

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The 1st China Development Marketplace (CDM) held in 2006 awarded 31 projects. Apart from the three projects that the International Finance Corporation (IFC) funded and supervised directly, the NGO Research Center of Tsinghua University was engaged by the World Bank for monitoring and evaluation (M&E) of the other 28 projects.

An M&E committee was formed and met on a quarterly basis to review the progress reports of the CDM-awarded projects. On the basis of review, discussion and analysis, feedback and suggestions for improvement were provided to each of the projects in a timely manner.

An M&E team made field visits to supervise, audit and evaluate ten projects at mid-term and another ten projects at the completion of the projects. The projects visited were selected through discussions at the M&E committee.

Overall, most of the projects were implemented according to the proposed action plans and achieved the expected goals. Many of the projects incorporated the feedback and suggestions from the M&E team and made improvements to various extent. Only in one of two cases, there were little feedback or improvements. There were also some cases of changes in the action plan or budget without prior approval.

Successful experience

Many of the projects were implemented satisfactorily and gained good experience.

Empowerment and participation. Participation of the affected community and target groups in project decision making and implementation is the key to ensuring project sustainability, as well as an important part of poverty reduction and innovation. The Participatory Irrigation Management in Minority Areas Project in Yunnan, the Garbage Collectors Mutual-Help Network Project in Shenzhen and the Counter-Seasonal Vegetable Project in Guizhou were good examples in involving the beneficiaries, listening to their needs and respecting their ideas.

Cultivation of community-based and grassroots organizations. Another key indicator for the sustainability of a project is to see whether the project takes roots. This means training and development of the participating community's own organization and leaders. Most of the winner projects were initiated by city elites. For donors, these organizations

are grassroots organizations. But for the local communities or beneficiary groups, they are external providers of assistance and may need to help develop community-based organizations for the sustainable development of the community. The Women's Livelihood and Health Sustainable Development Project in Tongjiang, Sichuan and the Poor Deaf Children's Hearing and Speaking Rehabilitation and Training Project did a good job in this aspect. In the the Women's Livelihood and Health Project, the villagers were mobilized to form a five-member project management committee, and an initial fund of 200 yuan was provided to a women's group to manage and use. In the Poor Deaf Children's Project, efforts were made to train parents of the benefiting deaf kids and enabled them to become trainers for others in the community; and a parents network was developed, so that the project can continue after the departure of the city-based NGO.

Openness, transparency and credibility development

Keep complete records and files. Maintenance of complete records and files forms the basis for an organization's credibility. In this aspect, the Rural Stay-behind Children's Education and Protection Project in Qingcheng, Sichuan maintained complete and carefully-filed project materials, and produced a regular project newsletter. The Rural Information Project in Qixingtai, Hubei also made great improvements in record keeping in the second half of the project implementation.

Disclosure of project information via the Internet or other means. Making project information publicly available via the Internet was very useful in better informing the stakeholders of the project progress, ensuring the transparency and fairness of the project implementation process, and encouraging public participation. The Guizhou Village-level Participatory Poverty Reduction Project did a good job in posting the project information on the organization's website for dissemination and public supervision.

In some projects, project activities, results and experiences were recorded through photos, DVDs and other means. Such materials were useful in publicizing projects results, disseminating project experience and benefiting more people. The Community Service Centers for Deaf Children, Parents and Young People Project, Organic Chestnut Orchard Project, Sanjiang Women's Hand-waving Project, Village Clean Drinking Water Project and many other projects took and kept a lot of photos and DVDs.

Financial transparency. Financial transparency and disclosure is the core in building the credibility of an NGO. The Guizhou Village-level Participatory Poverty Reduction Project posted the project information as well as donation information on the website. Women's Livelihood and Health Sustainable Development Project made its financial information publicly available to the villagers. The villagers were informed of the amount and use of the project funds. On the contrary, in one particular project, the beneficiaries and even the task manager had no idea about the financial situation of the project.

Strengthen institutional capacity through project implementation.

Integrating the project into the organization's strategy. NGO capacity building is one of the objectives of the China DM. The Community-Centered Eco-Tourism Promotion in Southwest China Project offered useful experience in this regard. The project successfully integrated the project into the organization's strategy, achieving good results. In a few cases, a project was done for the project's sake, without consideration of the relationship between the project and organization's strategy and mission.

Learning and organizational growth in the project implementation process. In some projects, capacity building was clearly made one of the project objectives and attention was given to it in actual operation, such as in the case of the Community Service Centers for Deaf Children, Parents and Young People Project. In the Community-Centered Eco-Tourism Promotion in Southwest China Project, in addition to the external M&E, the organization also developed a set of project management system for its own regular M&E. The Red Ribbon Action Project did its own survey and evaluation of the training activities under the project.

Some projects kept improving project management and developed detailed and well-defined implementation plan incorporating the feedback provided by the M&E team, such as in the case of the Herdsmen Transfer Market Projects, the Marginalized Minority Migrant Children Literacy Project and the Happy Mothers' Project.

Strengthening partnership and communication, disseminating experience and influencing policy. One of the important objectives of the China DM is the replicability and extension of project innovation. Good experience was gained in this aspect. For example, in the Enshi Poor Rural Single Mothers' Biogas Project, the women's federation worked with the local energy bureau to mainstream gender awareness; in the Herdsmen Transfer Market Projects, successful experience was summarized to present to the local government and got recognized; in the Community-Centered Eco-Tourism Promotion in Southwest China Project, the project information and experience was widely disseminated through international partnerships, conferences, website and mass media.

Two projects should be particularly noted here: the Participatory Irrigation Management in Minority Areas Project in Yunnan, through its demonstration effect, was able to scale up its successful project model locally; the Rural Stay-behind Children Education and Protection Project in Qingcheng, Sichuan was not only reported several times on CCTV but also had a direct impact on local government policy.

Main problems

Weak beneficiary targeting mechanism. One of the objectives of the China DM is to explore new and innovative approach to poverty reduction. Therefore, targeting and benefiting the poor was the basis for projects. However, some projects selected non-target groups or even the so-called model households or local leading businesses as beneficiaries, because of considerations for surface effects or repayment ability. Some projects did not have clearly-defined beneficiary groups, and were even deviated from the objectives of the China DM, affecting the effectiveness of the project. Some projects

chose beneficiaries quite randomly, without a clear set of criteria and a fair and open selection process.

Lack of beneficiary participation. Participation of the beneficiaries in the project implementation and decision making is an important guarantee for project success. However, insufficient attention was given to beneficiaries' participation. The selection of beneficiaries, project components and approach was often decided by the executing organization alone, without full understanding of the beneficiaries' needs and ideas.

Problems in project organization and management systems

Weak organizational system. In a few cases, the task manager was simultaneously responsible for a number of projects and could not focus on the CDM-funded project. This caused project work lagging behind schedule and lack of responsibility for implementation. In one or two cases, the project was subcontracted to the partner or lower-level organization. The proposing organization had a low involvement, little knowledge of the project progress, and poor communication with the partner and lack of project supervision.

Effect of personnel change on the project. In some projects, change of the task manager or key staff caused difficulties, completion prior to schedule, or even suspension.

Poor record and file maintenance. File management and maintenance was important for project M&E, and for learning and capacity improvement. However, in some projects, there was little or poor record of activities and files. In some training projects, there was no participants list or signature.

Financial problems

Lack of financial transparency and disclosure. In one case, the financial information of the project was not made available to the beneficiaries, and not even internally to the project staff. Only the head of the organization knew about it.

Poor financial management. In some organizations, there was no financial management system; the use of fund did not follow the budget plan; fake financial statements were detected; the CDM fund was not placed in a separate account but mixed with other sources of funds, making it difficult to audit; and the financial statements were too rough and substandard, raising the financial management risk.

Problem with project objectives, plans and implementation

Poorly defined objectives and unrealistic objectives. Some projects had poorly defined objectives without measurable indicators; some projects proposed excessively high and unrealistic targets; and some even fabricated project output and outcomes in self-evaluation report.

Lack of detailed action plan. Some projects did not develop a logframe; some had action plans that were too general and lack of details; and some had action plans that were not scientific and reasonable. This caused difficulties for implementation and also for M&E.

Lack of executing capacity and innovativeness. Some projects had a good plan but did not have the organizational and executing capacity to carry it out. Some projects lacked innovativeness or consideration for sustainability and replicability.

Problem with the NGO's own capacity building

Focus on the hardware to negligence of the software. Quite a few projects focused on the hardware to negligence of the software. Particularly for some civic works type of projects, the implementation organization often focused only on the civic works to negligence of the follow-up management and maintenance after completion of the civic works which is the key for project sustainability. The organizations did not take the opportunity to organize the beneficiary households and encourage them to involve in the maintenance and management of the project, or in other words, lack of institutional arrangement for follow-up management.

Lack of attention to the NGO's own capacity building. NGO's own capacity strengthening is an objective of the China DM. However, some projects did not give sufficient attention to their own organization's capacity building or assistance to local grassroots NGOs. Particularly in the case of some civic works type of projects, the project was sometimes subcontracted to a local government agency. End of the civic works meant end of the project. Improvement in the organization's own capacities was not among the project outcomes.

Conclusion

The M&E team concluded that the great majority of the 31 CDM-awarded projects were very successful in improve management systems, following the proposed action plans, schedules and budget, achieving the expected output and outcomes, and accomplishing the project objectives. Some projects developed new and innovative approach and gained good experience; some even generated impact on the local government policy; some had their successful experience replicated and extended; some were reported and recognized on the national news media such as CCTV; and some were able to continue after the one-year project period. Overall, the China Development Marketplace achieved its goal of supporting innovations for scaling up services that reach the poor.