



17 China Heilongjiang Province Sanjiang Plain Agricultural Development Program (1) (2)

Contributing to high value-added food production of the Sanjiang Plain

Loan Amount / Disbursed Amount 17.72 billion yen / 17.68 billion yen
Loan Agreements December 1996/September 1997
Terms & Conditions 2.3% interest rate, 30 year repayment period (10 year grace period), General untied (April 2002 / April 2003)
Final Disbursement Date April 2002 / April 2003
Executing Agency The Export-Import Bank of China (<http://English.eximbank.gov.cn/>)



Project Objectives

The objective of this project was to supply funds to a sub-project of the Heilongjiang State Farm Area Commodity Grain Base Construction Plan in a two-step loan framework via the China Exim Bank, aiming to support medium and low production farmland move toward higher value-added food production, and thereby contribute to China's food security as well as correcting regional income disparities.

Effectiveness and Impact

Rating **a**

In the region targeted by the project, in order to avoid environmental degradation due to new land development, efforts were made to raise the productivity of existing farmlands. From 2000 to 2005, cultivated area grew by about 5%, with food production (weight basis) growing by about 14%. Although the Sanjiang Plain has a short annual growing season due to its harsh winters, mechanization enabled efficient harvesting, which is also contributing to an increase in agricultural productivity. While China's grain production has remained at the same level over the past 10 years, Heilongjiang Province's rose from 5.47% of China's entire grain production in 1995, to 6.39% in 2005. This project is playing an important role in support of China's grain production. Thus, this project has largely achieved its objectives, and effectiveness is highly satisfactory.

Relevance

Rating **a**

This project has been highly relevant with national policies at the time of appraisal and at the time ex-post evaluation. Heilongjiang Province plays an important role in China's Food Production Growth Plan, and there is also a great need to raise agricultural productivity from the perspective of correcting domestic income disparities.

Efficiency

Rating **b**

The project cost was lower than planned, but the period was longer than plan (127% of planned period); therefore the evaluation for efficiency is moderate. The main reason for the delay was the coordination required for the set-up of environmental monitoring system.

Sustainability

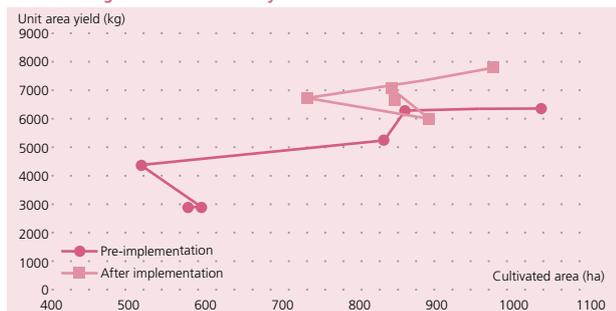
Rating **a**

Although careful water resource management is becoming an issue for the long term sustainability of groundwater irrigation, sustainability of this project is high. The Heilongjiang State Farm Bureau is collecting agricultural statistics and a system for monitoring the project effects has been developed.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be highly satisfactory. It is desirable to build an environmental monitoring system to supervise the entire Sanjiang Plain, and to promote agriculture using surface water, due to long term concerns of declining groundwater levels.

Increase in Agricultural Productivity



Large changes have not been seen in cultivated area, but unit yield (harvest volume per cultivated area) is stable at a higher level.

Third-Party Opinion

This project was implemented in a low productivity region, and is highly relevant from the perspectives of food security and correction of regional disparities. It showed remarkable growth in both productivity and production volume, also contributing to income growth of residents.

Name of specialist: Mr. Zhang Tonglin (academia)
 Graduate of Liaoning University (economics). Earned Ph.D. in agriculture at University of Tsukuba. After working at the National Food Control Bureau, Foodstuffs Research Center, is currently working at the Shanghai Academy of Social Sciences, Rural and Agricultural Research Center. Specializes in agriculture and agricultural economics.