



1. Project Data

Project ID

P091950

Project Name

CN-Guizhou Cultural and Natural Heritage

Country

China

Practice Area(Lead)

Social, Urban, Rural and Resilience Global Practice

L/C/TF Number(s)

IBRD-76930

Closing Date (Original)

30-Jun-2016

Total Project Cost (USD)

90,000,000.00

Bank Approval Date

05-May-2009

Closing Date (Actual)

30-Jun-2017

IBRD/IDA (USD)
Grants (USD)

Original Commitment

60,000,000.00

0.00

Revised Commitment

60,000,000.00

0.00

Actual

59,167,977.53

0.00

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2. Project Objectives and Components

a. Objectives

According to the Project Appraisal Document (PAD) (page 5) and the Loan Agreement of June 26, 2009 (page 5) the project development objective was “to assist Guizhou Province in increasing economic benefits to local communities (including minority groups)”. This objective was to be achieved “through increased tourism and better protection of cultural and natural heritages”.

During a project restructuring on July 8, 2014 the project development objective was revised and stated as “to assist Guizhou Province in protecting cultural and natural heritage, improving basic infrastructure, and fostering tourism development for the benefit of selected communities (including ethnic minority groups)”.



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

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

08-Jul-2014

c. Will a split evaluation be undertaken?

Yes

d. Components

The project included four components:

Component 1: Ethnic Minority Cultural Heritage Protection (appraisal estimate US\$44.62 million, actual US\$49.97 million): This component was to finance the construction of small scale infrastructure facilities to serve the villages and towns, rehabilitation and conservation of unique historic buildings and construction or establishment of cultural and visitor centers, rehabilitation and conservation of traditional private houses, and carrying out of income generating activities that preserve and protect intangible cultural heritage for provision of technical assistance, training and goods.

During the project restructuring in July 2014, the number of private traditional houses to be renovated was reduced from 1,225 to 823 since the initial targets were too ambitious. Also, the procedures for selection of the houses, identifying the conservation works and selecting contractors was changed. Furthermore, the number of demonstration houses was reduced from 77 to 34 in order to optimize sustainable management and operation of such facilities. Third, a new subcomponent was added – the Danzhai Intangible Cultural Heritage Center.

Component 2: Natural Heritage and Scenic Site Protection and Development (appraisal estimate US\$21.35 million, actual US\$24.36 million): This component was to finance physical investments such as construction and/or rehabilitation of pedestrian roads, public toilets, water supply and sanitation facilities, signage and tourist service centers to improve infrastructure and tourism facilities in Guanling National Geo-Park in Anshun Municipality, Dingxiao National Geo-Park in Qianxinan Prefecture, Wanfenglin National Scenic Park in Qianxinan Prefecture, and Shanmu River Scenic Park in Qiandongnan Prefecture including construction and/or rehabilitation of pedestrian roads. Also, measures for environmental and ecological protection of such parks were to be implemented.

During the project restructuring, the museum for the Dingxiao National Geo-Park subcomponent was dropped in the absence of a feasible design that could have been implemented within the life of the project.

Component 3: Tourism Gateway Town Facilities Development (appraisal estimate US\$16.34 million, actual US\$19.07 million): This component was to finance the construction of tourist information centers in selected counties in Qiandongnan Prefecture and the provision of goods, technical assistance and training to strengthen institutional capacity, at the county level, for the promotion of tourism, and the construction of the Guizhou Cultural and Natural Heritage Protection and Development Center in Guiyang.



During the project restructuring, the Provincial Tourist Information and Service Center was dropped because of logistical difficulties in identifying the suitable land.

Component 4: Capacity Building and Project Implementation Support (appraisal estimate US\$1.81 million, actual US\$1.31 million): This component was to finance the strengthening of institutional capacity and capability at the provincial level to manage, implement and monitor project activities, and at the village level for the conservation of traditional buildings and for the facilitation of community organization and village level activities. Also, this component was to finance the strengthening of capacity and capability in the tourism sector.

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

Project Cost: The project was estimated to cost US\$84.12 million. Actual cost was US\$94.70 million, 113% of the appraisal estimate.

Financing: The project was financed by a loan from the International Bank of Reconstruction and Development (IBRD) of US\$60 million of which US\$59.16 million was disbursed.

Borrower Contribution: The Borrower was to contribute US\$30 million. Actual contribution was US\$34.85 million.

Dates: On July 8, 2014 the project was restructured as follows: (i) the PDO was modified to improve the attribution of increase in economic benefits to local communities to project activities; (ii) the Results Framework was revised to reflect changes to the PDO and to provide a more effective and streamlined approach to measure results; (iii) activities in components 1, 2, and 3 were modified (see section 2d for more details); (iv) the total project cost was revised from US\$84.12 million to US\$91.25 million; (v) the village level procurement methods were revised due to weak capacity; (vi) the project's closing date was extended by one year to June 30, 2017.

3. Relevance of Objectives

Rationale

Guizhou province in South Western China has one of the largest ethnic minority populations in the country. At appraisal around 15% of its villages were inaccessible by road and average per capita income in rural areas was only 27% of the per capita income in urban areas. In order to address these challenges, Guizhou's eleventh Five Year Plan (2005-2010) aimed to increase the pace of tourism development, especially rural tourism, to foster economic development and alleviate poverty. The Government's efforts were successful. However, rapid growth in tourism had a negative impact on the conservation and sustainable development of its natural and cultural heritage assets. While institutional and legislative frameworks to protect cultural and natural heritage were in place, many of the laws and regulations were poorly understood and implemented on the local level. Also, the increase in tourism had only a limited economic impact on the local and minority communities.

The project was in line with China's 11th Five Year Plan (2005-2010) which outlined the importance of



improving cultural heritage preservation and China's 12th Five Year Plan (2011-2016) which focused on the development of services and measures to address social, environmental, and external imbalances. In 2005, the State Council issued a Notice on Strengthening Cultural Heritage Protection which required substantial progress by local governments to protect cultural heritage.

The project was also in line with the Bank's Country Partnership Strategy (CPS) for 2006-2010 which focused in its first pillar on "reducing poverty, inequality and social exclusion" since the project targeted extremely poor and ethnic minority communities for economic development and poverty reduction. The project also supported the second pillar of the CPS which focused on "managing resource scarcity and environmental challenges" by strengthening institutions to help protect and manage Guizhou's cultural and natural resources. At closing, the project's amended objective was consistent with the Bank's most recent CPS for FY2013-2016 which focused on supporting green growth and inclusive development. Therefore, the rating of the relevance of the original and revised PDOs are both High.

Rating

High

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

The original objective was "Increasing economic benefits to local communities (including minority groups)". This objective was to be achieved through "(1) increased tourism and (2) better protection of cultural and natural heritages". What follows is an assessment of the extent to which these two sub-objectives were achieved and hence whether the original project development objective was achieved.

Rationale

1. Increased Tourism

Outputs (as stated in Annexes 1 and 7 of the ICR):

- Ten Village Conservation Goals were drafted through a participatory approach to raise awareness of cultural and natural heritage protection.
- Bank-financed basic infrastructure construction contracts in 10 out of 17 villages were under implementation or mostly completed by the time the objective of the project was revised during the Mid-Term-Review (MTR).
- 468 of 823 traditional houses and 12 out of 77 demonstration houses were renovated.
- By the time of the MTR, only two villages had completed the intangible cultural heritage activities, which primarily focused on training at the community level for different types of skills (crafts, singing, dancing, etc.).
- Improvement of infrastructure and tourism facilities (including construction of tourist service centers, pedestrian roads, public toilets) at three of the four natural heritage sites were under satisfactory implementation by the time of the MTR.



- The tourist information and cultural centers in the three gateway towns were constructed.
- The Guizhou Tourism Master Plan was updated, enabling the Guizhou Tourism Bureau to better plan its budget, implement marketing campaigns, and attract investments to the province.

Outcomes: (as noted in pages 12 to 14 and Annexes 1 and 7 of the ICR)

- The annual number of tourists visiting key project sites increased from 502,000 in 2008 to 4,080,000 in 2017, almost achieving the original target of 4,360,000 tourists.
- The number of tourists at the gateway town tourist information centers increased from zero in 2008 to 4,800 in 2017, not achieving the original target of 8,500 tourists which, according to the PAD, was established following careful research.
- The project created employment for administrative staff, technicians and workers (1,451 person-months of managerial staff and 3,317 person-months of technicians with monthly incomes between RMB 2,800-10,000 and RMB 3,200-12,000. In addition, the project included 10,343 person-months of workers (7,230 person-months of migrant workers and 3,642 person-months of ethnic minorities of which 2,620 person-months were from among the poor).
- Employment in the tourism/hospitality sector increased from 3,023 people in 2010 to 13,551 people in 2016.

2. Protection of Cultural and Natural Heritages

Outputs: (as stated in Annexes 1 and 7 of the ICR)

- 3,215 people were trained in special skills such as traditional dancing, singing, and handicrafts of minority villages
- Infrastructure such as walking paths, parking lots, and tourist service centers, in the Guanling National Geo-Park, Shanmu River Scenic Park, Dingxiao National Geo-Park, and Wanfenglin National Scenic Park was constructed.
- Jianhe Tourist Information and Training Center, Leishan Tourist Information Center, Liping Tourist Information Center, Guizhou Cultural and Natural Heritage Protection and Development Center were constructed.

Outcomes: (as noted in pages 14 to 24 and Annexes 1 and 7 of the ICR)

- The development of basic infrastructure and rehabilitation of traditional private houses had a positive impact on the values of residential houses in Anhsun Jiuzhou where the square meter price increased from 1,050 RMB/m² (before the project) to 4,300 RMB/m² (after the project). Also, shop values in Nahui Village in Wangengling increased from 1,300 RMB/m² (before the project) to 6,800 RMB/m² (after the project). However, it is questionable to what extent this increase in values can be attributed solely to this project's activities.
- Among the total beneficiary minority population of 65,718 people in 2016 (the PAD (p.103) states that the project was to mostly affect areas with high percentage of indigenous communities) was highly diverse: 5.9% were Buyi, 17% were Miao, 35% were Han, and 42.1% were Dong. Out of 947 residential houses restored, 153 belonged to Dong households, 202 to Buyi households, 269 to Han households, and 323 to Miao. The ICR (p. 13) states that the project contributed to employment in local tourism and hospital sectors. Employment at project sites increased from 3,023 people in 2010 to 13,551 people in 2016. Of all people



employed in 2016, 8.3% were Dong, 11% were Buyi, 19% were Miao, and 64.8% were Han. Out of 14,682 people in the region who rose out of poverty in 2016, 8.9% were Buyi, 14.3% were Dong, 19.3% were Miao, and 56.5% were Han.

- In summary, the ICR noted that 75% of direct project beneficiaries belonged to an ethnic minority, surpassing the original target of 70% at the project's close (page 16).

The overall achievement of these two sub-objectives is rated by this Review as Modest and hence the original PDO of "increasing benefits to local communities (including minority groups)" was also Modest.

Rating
Modest

Objective 1 Revision 1

Revised Objective

The project objective was revised from the original broad objective focusing on benefits for local communities and minorities to an objective in three parts, namely "(1) fostering tourism development; (2) protecting cultural and national heritage"; and (3) "improving basic infrastructure". These objectives will be referred to as revisions 1, 2 and 3 of Objective 1. Their order has been changed to make their achievements easily comparable against sub-objectives of objective 1.

Revised Rationale

1. Fostering Tourism Development

Outputs: (as stated in Annexes 1 and 7 of the ICR)

- Outputs for sub-objective 1 for objective 1 are also relevant here but not repeated.
- In the Guanling National Geo-Park, the Shanmu River Scenic Park, and the Wanfengling National Scenic Park, several facilities were constructed including a parking lot, tourist service center, public restrooms, a wind and rain bridge (a combination of bridge, corridor, veranda and Chinese pavilion), and visitors' break station. Also, the Shastasauridae Park was constructed and the whole park was afforested.

Outcomes: (as stated in pages 14 to 16 and Annexes 1 and 7 of the ICR)

- The annual number of tourist visits to key project sites increased from 502,000 tourists in 2008 to 4,080,000 tourists in 2017, almost achieving the target of 4,360,000 tourists.
- The number of tourists at the gateway town tourist information centers increased from zero in 2008 to a total of 4,800 in 2017, surpassing the revised target of 4,500 tourists.

The achievement of this sub-objective is rated Substantial.

Revised Rating
Substantial

Objective 1 Revision 2

Revised Objective

2. Protecting Natural and Cultural Heritage



Revised Rationale

Outputs: (as stated in Annexes 1 and 7 of the ICR)

- 290 people were trained for intangible heritage activities, surpassing the target of 250 people.
- The facilities of 3 natural heritage sites were improved, achieving the target.
- 69 kilometers of access to and within project sites were improved, achieving the target.
- Guidelines for traditional house renovation were developed. In accordance with these guidelines a total of 1,040 traditional private houses were conserved, surpassing the target of 823 houses. In addition, 29 demonstration houses were conserved.
- Country Project Management Offices developed intangible cultural heritage annual work plans to select activities that would preserve intangible cultural heritage and protect village community beneficiaries, and intangible cultural heritage implementation agreements (including activities, costs, implementation schedules, outputs, verification requirements, and payment conditions).
- 2,550 conservation goal brochures were distributed in villages, surpassing the target of 2,500 brochures.

Outcomes: (as stated in pages 14 to 17 and Annexes 1 and 7 of the ICR)

- 18 cultural and national heritage protection goals were submitted to the planning authorities, achieving the target.

The achievement of this sub-objective is rated Substantial.

Revised Rating

Substantial

Objective 1 Revision 3

Revised Objective

3. Improving Basic Infrastructure

Revised Rationale

Outputs: (as stated in Annexes 1 and 7 of the ICR)

- 1,040 traditional house were renovated, surpassing the revised target of 823 houses.
- 142 kilometers of roads (including access roads, pedestrian and foot paths), 56 kilometers of drainage channels, 38 kilometers of water supply pipes, and 21,620 m² of parking lots were constructed. In addition, sewage treatment with a capacity of 2,780 m³/day was installed.
- 900 rubbish bins, 412 fire hydrants, 31 public restrooms, and 4,370 signage boards were installed
- Guidelines for ethnic minority housing rehabilitation were delivered, achieving the target.

Given the objective these improvements in basic infrastructure were important outcomes as well as important outputs

Outcome: (as stated in pages 14 to 17 and Annexes 1 and 7 of the ICR)

- 26,900 people were provided with access to improved sanitation services - achieving the target. However, the ICR does not define whether these beneficiaries were tourists or residents and how their number was derived.



Revised Rating

High

Rationale

Efficacy of the two sub-objectives of the original objective was rated Modest and hence the efficacy of this original objective was rated Modest.

Ratings of the efficacy of the three parts of the revised original objective were as follows: Substantial achievement for “fostering tourism development”, Substantial achievement for “protecting cultural and national heritage” and High achievement for “improving basic infrastructure”. This Review therefore rates the achievement of the revised objective as Substantial.

For the purpose of completing this template the efficacy rating for the restructured project is entered in the box below even though it is not an “overall efficacy rating”.

Overall Efficacy Rating

Substantial

5. Efficiency

Both, the PAD and the ICR conducted a cost-benefit analysis for the project. A cost-benefit analysis was conducted on four project sites including Wanfenglin scenic area, Anshun Jiuzhou ancient town, Landgde Miao ethnic cultural village, and Zhaoxin Tong ethnic cultural village. In the cost-benefit analysis of the four selected project sites, tourists and residents completed surveys about their willingness-to-pay for cultural preservation, in order to quantify this extra economic value to them. These economic benefits were quantified based on conservative projections of tourist growth at the site. The Economic Internal Rate of Return (EIRR) of each of the sites in the PAD (page 88) ranged from 13.7% (Anshun Jiuzhou ancient town) to 19.6% (Landgde Miao ethnic cultural village).

The ICR (page 18) conducted a similar analysis and adjusted the willingness to pay values from the PAD based on the net increase in per capita disposal income from 2007 to 2016. Actual data from project sites was used for tourist projections and for average on-site expenses of visitors. The EIRR for Wanfenglin scenic area and Anshun Jiuzhou ancient town were higher at project closing (17.8% and 19.1%) than at appraisal due to a significantly higher number of tourists than expected. The EIRR of the Langde Miao village was lower than at appraisal (17.5% instead of 19.6%) due to a smaller number of tourists and higher total investment costs related to tourism development. Also, the EIRR of Zhaoxing village was lower at closing than at appraisal (12.4% instead of 12.6%) due to a higher share of government investments and a lower share of Bank investments and therefore a smaller share of total economic benefits. Overall, the EIRRs indicate that these four investments, were substantially efficient.

Operational Efficiency:



The PAD (page 11) states that the project used a cost-effectiveness approach to ensure that least-cost options were followed when designing most of the investment components, especially those that provided basic infrastructure for heritage protection and tourism development. The guidelines recommended technical design ideas and alternatives, such as different construction materials, technical standards or technologies. The ICR (page 18) also states that contract amounts of Bank projects were 20 to 30% lower than non-Bank projects due to this approach.

The overall project cost was 5.6% higher than estimated at appraisal. The increase in cost was mainly due to exchange rate fluctuations, changes in project activities, increase in final contract prices due to project changes and delays, and increase in construction and management costs due to a 12 months project extension. However, during the July 2014 restructuring, the scope of several activities under Component 1 was decreased and the construction of the museum for Dingxiao National Geo-Park under Component 2 was dropped, reducing the project's total costs by approximately US\$2.36 million. All these factors might be indicative of an inefficient management of project resources but most of the factors were beyond the control of project management.

Overall the project's efficiency is rated Substantial.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The relevance of the original and revised objective was rated High given Guizhou province's weak infrastructure, the need to conserve cultural and natural heritage and foster tourism. The efficacy of achievements of the original PDO was Modest. Efficacy of achievements of the revised PDO was as follows: Efficacy of achievement of the PDO to foster tourism development was Substantial, efficacy of achievement of the PDO to protect cultural and natural heritage was Substantial, and efficacy of achievement of the PDO to improve basic infrastructure was High. Therefore, the project's overall efficacy of the revised objective was rated Substantial. Efficiency of the project for the original and revised objectives was rated Substantial. Hence the outcome of the original objective was Moderately Unsatisfactory and the outcome of the



revised objective was Satisfactory.

According to IEG/OPCS harmonized guidelines, when a project's objectives are revised, the final outcome rating is an average of outcomes before and after the revision of objectives weighted by Bank disbursements under each set of objectives. In this project 45.8% of disbursements occurred under the original objective and 54.2% under the revised objective.

- Based on the original objective with an outcome of Moderately Unsatisfactory (score of 3) and a disbursement weight of 0.458 the weighted outcome score is 1.37.
- Based on the revised objective with an outcome of Satisfactory (score of 5) and a disbursement weight of 0.54.2 the weighted outcome score is 2.71.
- The combined weighted average outcome score is 4.1 which corresponds to a Moderately Satisfactory outcome rating.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

The ICR (pages 29-30) identified several factors that might put the outcomes, which the project achieved, at risk. First, operating and maintaining the basic and tourism infrastructure, scenic/natural parks, and tourist centers, which were created under the project, will require the availability of financial resources. It might be challenging for minority villages, tourism facilities, and home owners to maintain the infrastructure which was built/renovated under the project. Second, natural disasters, something Guizhou is prone to, might increase the cost of operating and maintaining tourism facilities and have a negative impact on the number of tourists coming to the province. Third, while large numbers of tourists might have a negative impact on the project sites and their natural surroundings due to pollution, they could also have a positive impact on the financial resources available for operation and maintenance. And fourth, rapid commercial development might have a negative impact on the protection of natural heritage protection.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project preparation took three years, taking the regional and sectoral context in Guizhou and the complexities of ethnic minority related tourism and investments into account. Also, the project design included lessons learned from the Bank's world-wide experience in supporting heritage conservation and tourism development.

The Bank team identified relevant risks such as lack of procurement capacity and knowledge of Bank-financed projects, as well as insufficient staff for project management and contract administration. Mitigation measures were inadequate, resulting in implementation delays.

The original project design had several other shortcomings. First, the achievements of the PDO were not



always clearly attributable to project activities. Second, the project's wide geographical scope across 19 counties made project coordination and supervision expensive and time consuming for the Bank and the counterpart. Third, the Guizhou Provincial Tourism Bureau was selected as the location for the Project Management Office. The Bureau, however, had little experience in civil works, rehabilitation and conservation works or intangible cultural heritage preservation and Bank-financed projects. Fourth, the project design included the implementation of Community Based Development processes and block grants, however, the lack of experience with CDD programs resulted in delayed implementation of the community-based village components. And fifth, a large number of small procurement packages posed a challenge for the already weak procurement capacity.

The long preparation phase required the use of counterpart funding in order to complete project activities before already set deadlines. Furthermore, the Results Framework had several shortcomings (see section 9a for further details).

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

During project implementation the Bank team conducted 13 implementation support missions. The team consisted of experienced Bank staff with relevant background. According to the ICR (page 27) the Bank team provided timely support to the Project Management Offices on Bank procedures, financial management and procurement, safeguards and technical issues.

Given the slow implementation progress and attribution issues (increase in economic benefits to local communities could not be clearly attributed to project interventions given the rapid economic growth of Guizhou Province over the last five years), the project was restructured in July 2014.

Bank management was also involved in addressing implementation issues and supported the project restructuring.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The original objective of the project was not clearly specified and the original Results Framework had attribution issues. The original Results Framework included one PDO indicator and seven Intermediate Outcome indicators. While the PDO indicator measured the average per capita income in project minority villages, making attribution to project activities challenging, the Intermediate Outcome Indicators mainly measured outputs. Also, the M&E design included annual community surveys of minority villages, however, the Results



Framework did not include any indicators related to such surveys.

Given all these shortcomings, the objective and the Results Framework were revised. The new Results Framework included five PDO indicators, measuring progress toward different aspects of the revised PDO. The new set of indicators was specific, measurable, relevant, achievable, time-bound, and adequate to assess the contribution of the project activities and outputs toward achieving the PDO. However, most indicators did not have a baseline.

The Theory of Change in the Results Framework in the PAD was sound as was the revised PDO. However, the original PDO was more ambitious and aimed to achieve substantial benefits while the revised PDO was a series of activities transformed into objectives.

b. M&E Implementation

The prefecture and county-level tourism bureaus, the County-level Project Management Offices (CPMOs), and the Community Project Management Groups (CPMGs) under the project were responsible for collecting the data necessary to monitor and evaluate the outcome indicators. The Provincial Project Management Office (PPMO) was responsible for consolidating the data in progress reports and update the Results Framework as necessary. According to the ICR (page 24) at the beginning of project implementation M&E activities were slow because the Management Information System, which was used to monitor the large number of project activities, stakeholders, and locations of operations, was not fully operational. The Bank's accompanying technical assistance supported the CPMOs in ensuring data quality and reliability. The ICR (page 24) states that a later stage of project implementation and comprehensive progress reports were produced. Since the revised Results Framework included outcome and output oriented indicators, the progress reports measured implementation progress of physical assets and progress towards the achievement of the PDO.

c. M&E Utilization

The ICR (page 24) states that M&E data were used to assess the project's performance and achievement of the PDOs. The PPMOs and Project Implementation Units incorporated the indicators from the Results Framework into their ongoing operations. The M&E findings/indicators were shared and in some cases incorporated in ongoing management and operation decisions by PMO/PIUs. For example, specific data such as "annual number of tourist visits" helped project site managers to understand seasonal demands, forecast revenues, and identify progress in visitor satisfaction.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards



The project was classified as Category A and triggered the Bank's safeguards OP/BP 4.01 (Environmental Assessment), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.10 (Indigenous People). These safeguard issues were addressed in the ICR but there was no explicit evidence that project management had complied with these safeguards.

Environmental Assessment: An Environmental Management Plan (EMP) was developed. According to the ICR (p. 24) all Country Project Management Offices (CPMOs) established environmental management units equipped with staff responsible for environmental management and supervision during construction. Several measures to protect the environment were taken such as air pollution control, sewage pollution control, noise pollution control, and solid waste pollution control. EMPs and respective mitigation measures were included in contracts and were adequately implemented during construction and commissioning. At the beginning of project implementation, the implementation of EMPs experienced delays, however, issues constraining progress were addressed and EMPs were completed satisfactorily.

Physical Cultural Resources: An Cultural Heritage Conservation Plan was developed. According to the ICR (page 25) structures of physical cultural resources were rehabilitated with the aim to keep them authentic and complete. Traditional materials and construction technologies were therefore adopted to ensure to ensure that facades of building structures and traditional houses were restored authentically.

Involuntary Resettlement: A Resettlement Action Plan and a Resettlement Policy Framework were developed and implemented. According to the ICR (page 25) land acquisition and resettlement were kept at a minimum by utilizing existing walking paths, drainage ditches, open spaces and flood lands that were collectively owned. A shortcoming of the Resettlement Policy Framework was that it did not include appropriate procedures for the temporary resettlement of small scale farmers and shopkeepers which was required because of the renovation of 65 traditional houses in the town of Huangping Jiuzhou. A report including a short Resettlement Policy Framework was developed and it was found that all affected people were appropriately compensated. A final external monitoring report confirmed that the Resettlement Action Plan was completed satisfactorily.

Indigenous People: An Indigenous People's Plan (IPP) was developed. The ICR (p. 25) states that the IPP included mitigation measures such as the rehabilitation and protection of unique historic buildings, the rehabilitation of traditional government-owned public buildings, the pilot rehabilitation of traditional private houses, the development of cultural and visitor centers, support for intangible cultural heritage protection, and investments in infrastructure (roads, solid waste management, wastewater/sanitation disposal, etc.). The Resettlement and Social Completion Report confirmed that the plan was completed Satisfactorily.

b. Fiduciary Compliance

Financial Management:

The project had adequate Financial Management procedures, which met the Bank's requirements, in place. The ICR (page 26) states that several challenges were identified by the auditors and the Bank's financial management expert such as ineffective project management and project performance, and minor cases of overpayment and irregular contract variations. These issues were successfully addressed through close Bank supervision. Audit reports were issued throughout project implementation. The external auditor's opinions were unqualified.



Procurement:

The project experienced procurement challenges during the first half of the project resulting in implementation delays. Despite weak implementation capacity and shortage of counterpart funding at the local government level, the project had to procure a large number of small procurement packages scattered across 19 counties. Also, the contract amounts of initial civil works and equipment contracts deviated substantially from actual contract amounts due to inaccurate estimations before construction or low bids resulting in several procurement challenges. In order to address these issues, the Bank revised procurement methodologies during the project restructuring. Close supervision and regular post-reviews resulted in the project's compliance with Bank procurement policies in the second half of implementation.

c. Unintended impacts (Positive or Negative)

N/A

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	The relevance of the original and revised objective is rated High given Guizhou province's weak infrastructure, the need to conserve cultural and natural heritage and foster tourism. The achievement of the original PDO was modest. In light of substantial efficiency, the outcome of the original objective was moderately unsatisfactory. Achievement of the revised PDO was as follows: Achievement of the objective of protecting cultural and natural heritage was Substantial, the achievement of the objective of improving basic infrastructure was High and the achievement of fostering tourism development



			was Substantial. Since efficiency was rated Substantial the outcome of the revised objective was Satisfactory. The weighted outcome of the project was Moderately Satisfactory.
Bank Performance	Satisfactory	Moderately Satisfactory	Project design had several shortcomings such as attribution issues, wide geographical scope, lack of capacity at PMO, and large amount of procurement packages.
Quality of M&E	Substantial	Modest	Shortcomings at M&E design and delays in implementing M&E.
Quality of ICR		Substantial	---

12. Lessons

The ICR (pages 29 to 30) provides valuable lessons learned including the following which are more broadly relevant beyond this project:

- **Bundling contracts into appropriately sized procurement packages is critical for attracting competitive bidders and decreasing management cost.** This project included a total of 103 contract packages, scattered across 19 counties. While this type of procurement was selected to give local communities a stronger feeling of ownership, the large number of contracts and their wide geographical scope made project coordination and management challenging. Therefore, an equal balance between local ownership and procurement efficiency would be beneficial.
- **Assessing the readiness of implementing institutions in terms of adequate capacity and financial resources during project preparation is critical for developing an accurate implementation and disbursement schedule and ensuring effective project implementation:** This project experienced implementation delays due to weak capacity and lack of knowledge of Bank-assisted project management by the implementing entities, shortages of counterpart funding at the local government level, and changes in city and tourism master plans resulting in uncertainties over project sites. Phasing the implementation of sub-projects based on the readiness of local governments to manage them could be a useful approach to avoid implementation delays.
- **Designing a Results Framework which includes indicators and studies/surveys measuring all aspects of the PDO and make project activities attributable to the PDO is critical for ensuring effective monitoring:** In this project the original Results Framework had several shortcomings such as the lack of indicators to measure whether project activities resulted in project outcomes. This made the attribution of outcomes to the project challenging. As the ICR suggests, tracer studies and beneficiary satisfaction surveys to demonstrate that local and ethnic minority beneficiaries were targeted and that special and practical skills training resulted in more jobs and higher incomes, would have been beneficial tools to include in the Results Framework of this project.



13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provides a good overview of project's preparation and implementation. Also, the ICR is concise, internally consistent, candid and results oriented. It is structured in accordance with the OPCS guidelines and provides a solid analysis of the project's efficiency. However, the ICR does not provide any information on how the number of tourists or the number of people with access to improved sanitation services were measured, making it challenging to understand the meaning of these data in the ICR.

a. Quality of ICR Rating

Substantial