

Evidences

Study #2678

Projects:

- P669
- P583

Part I: Public communications

Type: OICR: Outcome Impact Case Report

Status: On Going

Year: 2018

Tagged as: New Outcome/Impact Case

Title: Improving returns to public investments in China's agricultural sector

Short outcome/impact statement:

Recommendations to improve the effectiveness of China's public expenditures in the agricultural sector were prepared by IFPRI's China Strategy Support Program team using the Statistics on Public Expenditures for Economic Development database, and shared with the Government of China and the Asian Development Bank. In line with these recommendations, changes have taken place in the country's public expenditure policies, some of which are reflected in China's new Rural Revitalization Strategy.

Outcome story for communications use:

Despite rapid growth in agricultural production in the past few decades, China's agricultural sector faces many challenges. Climate change, water scarcity, land degradation and other environmental stresses, as well as external factors related to trade policies increasingly constrain the potential of agriculture to meet the rising demand for food. Public expenditures are one of the Government's key tools to shape a conducive policy environment for agricultural production.

In 2013, IFPRI's China Strategy Support Program team undertook a study [1] to analyze the effectiveness of China's public expenditures in the agricultural sector. One of the tools used in the study was the Statistics on Public Expenditures for Economic Development (SPEED) database, which has benefited from continued investment from PIM ([2], [3]).

The study report, submitted to the Ministry of Agriculture and to the Asian Development Bank, pointed to a low level of agricultural expenditures. Less than 1% of the agricultural GDP was spent on agriculture. There was inadequate public spending on agricultural research and development. The investment in agricultural infrastructure – especially in small infrastructure in rural areas – was insufficient, and the share of the irrigation investments dedicated to farm-level equipments and directly benefiting farmers was small.

The returns to subsidies were low, suggesting that these should be reduced.

In 2016, another report containing policy recommendations, co-authored by IFPRI and the University of Victoria, was submitted to the National Development and Reform Commission of China and to the Asian Development Bank. In 2017 a report on reforming the Chinese agricultural R&D system was submitted to the Ministry of Agriculture. In addition, the research team attended several consultations convened by various Chinese government agencies.

Agricultural public expenditure policies in China are currently undergoing changes that are consistent with the team's recommendations. China's new Rural Vitalization Strategy [4] emphasizes both public and private investment to support agricultural and rural development. In line with the research recommendations, the government has continued to increase investment to promote agricultural and rural development, and increased investments in R&D, infrastructure, and rural education.

Furthermore, input subsidies have not been increased, stockpile policies for corn, oilseeds and cotton have been removed, and the floor price of rice and wheat has been reduced.

Links to any communications materials relating to this outcome:**Part II: CGIAR system level reporting**

Link to Common Results Reporting Indicator of Policies : Yes

Policies contribution:

- 157 - China's Rural Revitalization Strategy

Level of maturity of change reported: Level 2

Links to the Strategic Results Framework:

Sub-IDOs:

- Increased capacity of partner organizations, as evidenced by rate of investments in agricultural research
- Conducive agricultural policy environment

Is this OICR linked to some SRF 2022/2030 target?: Too early to say

Comment: <Not Defined>

Geographic scope:

- National

Country(ies):

- China

Comments: <Not Defined>

Key Contributors:

Contributing CRPs/Platforms:

- PIM - Policies, Institutions, and Markets

Contributing Flagships:

- F2: Economywide Factors Affecting Agricultural Growth and Rural Transformation

Contributing Regional programs: <Not Defined>

Contributing external partners:

- MOA - Ministry of Agriculture and Rural Affairs of the People's Republic of China
- University of Victoria
- ADB - Asian Development Bank
- NDRC - National Development and Reform Commission

CGIAR innovation(s) or findings that have resulted in this outcome or impact:

Statistics on Public Expenditures for Economic Development (SPEED) database

Innovations: <Not Defined>

Elaboration of Outcome/Impact Statement:

Public expenditures are one of the Government's key tools to shape a conducive policy environment for agricultural production.

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The study report, submitted to the Ministry of Agriculture and to the Asian Development Bank, pointed to a low level of agricultural expenditures. Less than 1% of the agricultural GDP was spent on agriculture. There was inadequate public spending on agricultural research and development. The investment in agricultural infrastructure – especially in small infrastructure in rural areas – was insufficient, and the share of the irrigation investments dedicated to farm-level equipments and directly benefiting farmers was small.

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References cited:

- [1] Bingxin, Y., Chen, K., and Y. Zhang. 2013. Public Expenditure in Agriculture under a Rapidly Transforming Economy: The Case of the People's Republic of China: <http://ebrary.ifpri.org/utils/getfile/collection/p15738coll2/id/128019/filename/128230.pdf>
- [2] Lowder, Sarah K. 2018. Statistics on Public Expenditures for Economic Development (SPEED): Evaluation of outcomes based on the use of the SPEED database, 2008–2018. Washington, DC: International Food Policy Research Institute (IFPRI): <http://ebrary.ifpri.org/cdm/ref/collection/p15738coll2/id/133208>
- [3] SPEED database: <https://www.ifpri.org/program/speed>
- [4] China's Rural Vitalization Strategy (2018): http://www.gov.cn/zhengce/2018-09/26/content_5325534.htm

Quantification: <Not Defined>

Gender, Youth, Capacity Development and Climate Change:

Gender relevance: 0 - Not Targeted

Youth relevance: 0 - Not Targeted

CapDev relevance: 1 - Significant

Main achievements with specific **CapDev** relevance: The strategy places emphasis on agricultural R&D and rural education.

Climate Change relevance: 0 - Not Targeted

Other cross-cutting dimensions: No

Other cross-cutting dimensions description: <Not Defined>

Outcome Impact Case Report link: [Study #2678](#)

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