

# IFAD's Engagement in Fragile and Conflict-affected States and Situations

## Corporate-level Evaluation

### Overview

#### A. Definition

1. The definition adopted by the International Fund for Agricultural Development (IFAD) for its work in fragile states is as follows: "Fragile states are characterized by weak policies, weak institutions and weak governance, resulting in meagre economic growth, widespread inequality and poor human development. Fragile states are more exposed to the risk of outbreaks of violence than are non-fragile states. Fragile states may be well endowed with natural resources or be resource-poor." This definition was included in IFAD's corporate Policy on Crisis Prevention and Recovery, which was adopted by the Executive Board in April 2006.

#### B. Background

2. More than 1.2 billion people live in fragile states and in other countries that are affected by fragile situations. People living in fragile states and situations generally have lower growth rates, poorer socio-economic indicators and weaker human development indicators than poor people who live in other low-income countries.
3. Over the years, IFAD has been devoting increased attention to its engagements in such contexts. Around 40 per cent of ongoing IFAD operations in the current portfolio are in countries classified as fragile states. Coincidentally, 40 per cent of people living in extreme poverty (500 million people) reside in countries classified as fragile.
4. Given that state fragility is a key determinant of developing effectiveness, as also highlighted by the Tenth Replenishment of IFAD's Resources (IFAD10), IFAD's Executive Board decided that the Independent Office of Evaluation of IFAD (IOE) should undertake a corporate-level evaluation (CLE) on IFAD's engagement in fragile and conflict-affected states and situations in 2014.

#### C. The evaluation approach

5. **Objectives.** The CLE has three main objectives: (i) assess the performance of IFAD's engagement in fragile and conflict-affected states and situations; (ii) identify cross-cutting and systemic causes of strong and less strong performance across regions, countries and projects; and (iii) generate overarching findings and recommendations for further sharpening the organization's future engagement in such country contexts.
6. The CLE is not intended to generate detailed guidance or recommendations on specific operational issues or individual country situations. Such a remit is beyond the scope of the CLE, although the numerous working papers produced during the course of the evaluation provide analysis and findings that might benefit interested readers in specific country situations.
7. **Period of coverage.** This CLE assessed IFAD activities over a 10-year period from 2004 to 2013. This allowed the evaluation to both assess and learn from older operations as well as to analyse how IFAD's approaches in fragile and conflict-affected states and situations have evolved over time.
8. **Methodology.** The evaluation followed a mixed-method approach. This entailed: (i) a comprehensive literature review, including an examination of previous independent evaluations by IOE, corporate policies and strategies, country strategic opportunities programmes (COSOPs), project documentation and reports from

other organizations; (ii) an analysis of existing performance data (both IFAD self-evaluation ratings and IOE independent evaluation ratings); interviews with key informants in IFAD, partner Member States and other development organizations; (iii) an electronic survey to collect feedback from country programme managers and staff in IFAD country offices; and (iv) 10 country case studies, which built upon country visits<sup>1</sup>.

9. The first step in the process was the development of an implicit results chain (see figure 1 in the main report) of IFAD's engagement in fragile and conflict-affected states and situations. This allowed IOE to define the key questions and approach for its analysis. The evaluation criteria and questions used in the CLE are presented in table 1 of the main report.
10. **Limitations.** This CLE faced a number of limitations arising from IFAD's fragmented policy framework, which lacks clear yardsticks for evaluating contextual analysis and project design. Routine management reporting and previous studies have not focused on the specificities of working in fragile states, and there is no recognized list of countries that are not classified as fragile states but have internal fragile situations.
11. To overcome these limitations, IOE ensured that it carefully structured its data-collection instruments to ensure consistency and then analysed and triangulated data with a well-documented audit trail before forming evaluative judgements. Any possible bias arising from country selection is of limited importance since the case studies were primarily oriented towards identifying lessons and good practices. Conclusions were only drawn when there was consistency in findings from multiple sources of evidence. Lessons drawn from the evaluation relate more to IFAD's approach and processes than to its response in specific contexts.
12. **Deliverables.** Numerous deliverables have been produced throughout the evaluation. These include: individual case study reports on the ten countries visited; an analysis of IFAD's main policies and strategies in fragile and conflict-affected states and situations; analysis of feedback from the electronic survey; a background paper on the global context of fragility and conflict; and a report on the treatment of fragility in COSOPs and project design.

#### **D. IFAD strategy and operations**

13. **Emerging understanding of fragility and conflict.** The close connection between fragility and conflict has become more explicit over the period studied by the CLE. Vicious cycles of conflict commence when political and economic stresses and pressures on justice and security are combined with weak institutions. Fragility and conflict share common root causes and feed off each other. States at risk of natural disasters or external shocks face additional pressures. Where there is a lack of capacity to respond to such tensions, the risk of violence increases. Rural poor people are particularly at risk, as they often live in remote locations, and are highly dependent on government services.
14. **List of fragile states.** IFAD identifies a Member State as fragile based on a combined list of countries considered fragile by the Asian Development Bank, the African Development Bank, the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) and the World Bank. In 2014, 48 IFAD Member States were classified as fragile<sup>2</sup>, which is approximately 50 per cent of the total recipient countries included in the Ninth Replenishment of IFAD's Resources (2013-2015) performance-based allocation

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<sup>1</sup> The countries included Bosnia and Herzegovina, Burundi, the Democratic Republic of the Congo, Eritrea, Haiti, Liberia, Nepal, the Philippines, Sudan and Tunisia.

<sup>2</sup> In February 2015, four countries classified as fragile states joined IFAD: Micronesia, Nauru, Palau and Vanuatu. Therefore, these are not included in the findings of this corporate-level evaluation.

system (PBAS) cycle. More than half of the countries classified as fragile states are also middle-income countries.

15. **Corporate policies.** Since 2004, IFAD's work in fragile and conflict-affected states and situations has been guided by three overarching documents. The first is the above-mentioned IFAD Policy on Crisis Prevention and Recovery. This policy's four main objectives are to: (i) reinforce IFAD's approach to the prevention of crises; (ii) clarify the role for IFAD in post-crisis situations; (iii) define the resource allocation process with respect to the financing of post-crisis interventions; and (iv) enhance programme implementation procedures and processes in order to work more effectively in crisis-prone and crisis-affected countries.
16. In 2008, IFAD Management prepared a paper on IFAD's role in fragile states. This paper provided an assessment of IFAD's operations in fragile states and outlined a proposed approach to working in them. The paper noted that there is no internationally agreed upon definition of fragile states, but that broadly speaking, fragile states are characterized by poor governance, limited institutional capacity, weak policy frameworks and civil or border conflict.
17. Finally in 2011, IFAD introduced the Disaster Early Recovery Guidelines. These guidelines were developed to support staff in implementing timely and effective interventions in post-disaster contexts. The guidelines emphasize the need for IFAD's involvement in early recovery to support the rehabilitation of rural livelihoods and to ensure the swift transition from relief to long-term sustainable development.
18. **IFAD operations.** IFAD's commitments to fragile states are rising. Under the Ninth Replenishment of IFAD's Resources (IFAD9) programme of loans and grants close to US\$1.2 billion were allocated to fragile states, in comparison to the approximately US\$848 million allocated to fragile states under the Eighth Replenishment of IFAD's Resources (IFAD8) programme of loans and grants.
19. The PBAS identifies the medium-term envelope (three-year cycle) of lending resources potentially committable to a country. According to IFAD Management data, fragile states account for about 45 per cent of the PBAS allocations for 2013-2015. Post-conflict countries defined as eligible by the International Development Association (IDA) receive a normal PBAS-generated allocation along with a variable additional amount of between 30 per cent and 100 per cent of their normal PBAS allocation.
20. Comparative data show that as of 30 June 2008, IFAD's total portfolio of 225 projects included 62 projects (28 per cent) in fragile states. In 2012, of 254 ongoing projects, 105 (41 per cent) were being implemented in fragile states. It is expected that IFAD9 will provide financing to 46 fragile states. Fragile states are not given preference in the allocation of grants for investment projects, nor is there any correlation between the fragile state classification and the Debt Sustainability Framework. Over time, IFAD's engagement in fragile states has become more significant, in terms of both numbers of projects and resources committed.

## **E. Main findings**

21. **Project and country programme performance.** The performance of IFAD operations across most evaluation criteria in fragile states is generally weaker than in other country contexts. This is based on all project evaluation ratings available to IOE since 2002. For example, the 2013 Annual Report on the Results and Impact of IFAD Operations included an analysis of "exceptional projects" and found that projects in fragile states underperform against key performance indicators, including project effectiveness, efficiency, rural poverty impact, sustainability and overall project achievement. The analysis also found that there is a much greater occurrence of poor-performing projects than high-performing projects in fragile states. These findings are also confirmed by IFAD's self-evaluation data.

22. In the course of this CLE, IOE undertook a detailed analysis of its project evaluation ratings as well as ratings from IFAD's self-evaluation system. The conclusions of this analysis reveal that projects closing from 2010 onwards on the whole showed better performance in many evaluation criteria than projects closing between 2004 and 2009 (see tables 9-13 in the main report).
23. This detailed analysis revealed that:
- (i) Performance in countries that have always been classified as fragile is lower than in countries that have moved in and out of fragility (partially fragile) or were never classified as fragile;
  - (ii) There have been significant improvements in countries that have always been fragile in overall project achievement, project effectiveness, IFAD's performance as a partner and rural poverty impact;
  - (iii) For some criteria (e.g. effectiveness and IFAD's performance), improvements have been greatest in countries that have always been fragile;
  - (iv) Projects closing after 2010 in countries that have always been fragile show relatively poor performance in terms of operational efficiency, sustainability, and the Government's performance as a partner; and
  - (v) Achievements in promoting gender equality and women's empowerment have not improved in countries that have always been fragile, whereas they have shown improvement in countries that are partially or never fragile. This is partly attributable to limited utilization of gender experts in design, supervision and implementation support.
24. The CLE found a number of drivers that contributed to better performance of projects closing in fragile states after 2010. These are related to the transformation of IFAD's operating model, and include: the move to direct supervision and implementation support in 2007; more thorough portfolio monitoring and management to improve the implementation of projects at risk; and the opening of IFAD country offices. While the impact of direct supervision and implementation support, and better portfolio monitoring and management benefitted the portfolio in all countries, close to half of IFAD country offices are located in fragile states. Country programme evaluations have consistently found that country offices are important contributing factors of better performance.<sup>3</sup>
25. There are several explanatory factors for weaker performance of past operations in fragile and conflict-affected states and situations. They include: ambitious objectives and complex project design; weak policy frameworks and insufficient institutional capacity for service delivery within government at various levels and the private sector; insecurity preventing supervision and implementation support missions to be fielded in concerned project areas;<sup>4</sup> poor project management capacities; disconnect between the COSOP and project design in terms of the priority areas of intervention; limited incentives, practical tools and training for IFAD staff working in fragile situations; and undifferentiated budgets for analytical work, design, supervision, implementation support and self-evaluations. In addition, while most project designs have a detailed poverty analysis, they rarely examine the drivers of conflict and fragility, which can lead to weaker targeting and focus of project interventions.
26. One significant weakness found by the CLE in fragile and conflict-affected states and situations was the quality of data, including from monitoring and evaluation systems. This is a systemic issue across the portfolio, as noted in successive Annual Reports on Results and Impact of IFAD Operations. However, it is exacerbated in fragile and conflict-affected states and situations, given the extreme

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<sup>3</sup> Fragile states with IFAD country offices (ICOs) generally showed better IFAD performance (4.1 average) as compared to non-fragile states without ICOs (3.8 average IFAD performance) based on IOE data from country programme evaluations.

<sup>4</sup> For example, in Papua New Guinea, Indonesia and northern Mali.

weaknesses in data-collection systems, low capacity for analysis and insufficient resources for activities that are not always seen as priorities, especially under conflict and crisis circumstances.

27. Another area of concern emerging from the analysis is related to weak procurement systems, financial management and auditing (e.g. in Haiti, where the IFAD portfolio was suspended). Some IOE evaluations found major overruns in project management costs (in some cases, close to 50 per cent of total project costs). This raises concern about whether appropriate safeguards are in place to prevent the misuse of scarce development resources. This concern is especially significant given that oversight, investigation and related systems in fragile and conflict-affected states and situations are often significantly weaker than in other countries or not in place at all.
28. Building on IOE country programme evaluations between 2008 and 2013, the CLE also analysed country-level performance in non-lending activities such as knowledge management, partnership-building, policy dialogue, COSOP performance (in terms of relevance and effectiveness of the country strategy) and overall IFAD-government partnership in reducing rural poverty. Comparisons were made between countries that IFAD classifies as fragile states and non-fragile states.
29. The analysis revealed that performance in the three aforementioned areas was weaker in fragile states than in non-fragile states. Using IOE's six-point rating scale, results in non-lending activities were rated on average as 3.7, COSOP performance as 4, and overall IFAD-government partnership as 4.2 in fragile states, as compared to 3.9, 4.3, and 4.4 for the same criteria in non-fragile states. Although the gap in performance appears to be relatively narrow, the figures for the three criteria analysed showed consistently weaker performance in fragile states.
30. **Country strategies.** This section is based on a desk review of 42 COSOPs, various country programme evaluations and the 10 new country case studies. The case studies were prepared following country visits and included interviews and feedback collected through electronic surveys.
31. In seven of the 10 countries studied, the relevance of country strategies (i.e. COSOPs) in terms of analysis of conflict and fragility – and strategy response to that analysis – was moderately satisfactory; in the other three cases, it was satisfactory. The quality of context analysis undertaken in the preparation of COSOPs was generally weak, except in post-conflict settings (e.g. in Nepal) where greater use appears to have been made of situation analysis by development partners. There are opportunities to further sharpen the analysis across the board, given that it is of variable quality from country to country and rarely deals adequately with fragility and conflict. In those few cases where it is considered, fragility is treated more as a risk to be minimized than a determinant of poverty that needs to be addressed. Moreover, the case studies found that once events had transitioned from post-conflict to development, comprehensive fragility analysis was more rare, and even when present among other development partners, was seldom used by IFAD.
32. All COSOPs and project design documents include a poverty analysis. Across the ten case studies, these analyses covered a number of drivers related to fragility, including: gender and disadvantaged groups' economic empowerment; the state's capacity to deliver services; and management of natural resources. However, the CLE underlined opportunities for greater focus on the key issues of vulnerability and resilience, including gender.
33. Land issues were identified as a key driver of poverty and a source of conflict in Burundi, the Democratic Republic of the Congo, Haiti, Liberia, Nepal, the Philippines

and Sudan. Yet in most instances, the implications for what IFAD should support and the longer-term effectiveness of support were not developed into strategy.<sup>5</sup> That is, in spite of identifying the drivers of poverty in a fragile context, COSOP and broader development approaches were not sufficiently tailored to respond to the needs of fragile situations.

34. For example, in line with IFAD's development approach at the time, the design of the Andhra Pradesh Tribal Development Project assigned a large role to non-governmental organizations for social mobilization and capacity-building in remote tribal areas severely affected by internal conflict and violence. This proved to be a major source of tension between the state government and other partners, including IFAD, which adversely affected implementation, trust and dialogue in the early years of the project. The lesson to be drawn is that such activities warrant a more customized approach that takes the context and political economy more carefully into account at design.
35. The CLE finds that the core policy guidance on fragile and conflict-affected states and situations has not been sufficiently operationalized within COSOPs. Part of the reason for this is that staff are not allocated additional resources and are not held accountable for fragility analysis and thorough customization of COSOPs to specific contexts. In addition, IFAD's sector policies (e.g. rural finance or climate change) do not include specific provisions or tools to guide staff dealing with COSOPs for fragile and conflict-affected states and situations.
36. Finally, the classification of fragility is unwelcome by partners at the country level. It needs to be handled with care and sensitivity if it is not to undermine opportunities to establish fruitful dialogues and build ownership of IFAD interventions. IFAD's current approach of combining the list compiled by the international financial institutions (IFIs) with additional countries listed by OECD has led to the creation of a "super-list" that includes more countries than IFAD's partner IFIs. This listing is the result of different approaches to classification and brings little benefit to the listed countries. Nor does such a classification help IFAD to gain a better understanding of rural poverty and vulnerable people in such countries. It ties IFAD to IDA's policy and resource framework, and arguably sends the wrong message about the need to be context-specific. It also overlooks countries with subnational situations of fragility and conflict.
37. **Policy framework.** IFAD's work in fragile and conflict-affected states and situations has been guided by three dedicated policies since 2004 (see paragraphs 15-17 above). While there is a clear distinction between crises and fragility, the three documents overlap and share some common elements. There is a clear link and progression, taking crises as the underlying contextual factor that IFAD needs to address. This means that each situation requires a tailored assessment, primarily through analysis in the COSOP and then in project design, though as mentioned earlier, this has not happened to the extent necessary.
38. IFAD has produced three Strategic Frameworks since 2002, covering the periods 2002-2006, 2007-2010 and 2011-2015. However, no reference was made to IFAD's work in fragile situations in the first two Strategic Frameworks. Reassuringly, the 2011-2015 Strategic Framework clearly recognizes the special circumstances in fragile and conflict-affected states and situations, and notes that "in fragile states and situations, IFAD will strive to pay more attention to strengthening institutions and governance capacity".
39. In general, however, the policy framework is fragmented and does not adequately tackle several key issues of fragility and conflict. For example, how to approach fragility when IFAD's distinctive entry point is food production, rural development

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<sup>5</sup> The Philippines is an exception: land titling was built into the Cordillera Highland Agricultural Resource Management Project - Phase 2 (CHARMP2) following some success in the previous phase, but implementation has been ineffective owing to complications within the project.

and nutrition is not highlighted. Moreover, conflict is not dealt with in much detail. Nor is there discussion of what constitutes a subnational fragile or conflict-affected situation. Finally, the focus on broadly defined natural and man-made crises has failed to bring clarity in delineating distinct approaches at various stages of the conflict cycle (conflict prevention, post-conflict rehabilitation and peacebuilding).

40. IFAD has not revisited its definition of fragility since 2006 and it is time to do so. This would help bring clarity to staff, Member States and other development partners on the focus and priority areas of work, especially given that the international discourse surrounding the development of approaches in fragile states and situations has significantly increased in the past decade.
41. Likewise, given the complexity of working in fragile situations, the role of partnerships is critical. However, the ways in which IFAD complements other IFIs, United Nations agencies and bilateral organizations are not sufficiently analysed in these overarching policies, nor are the opportunities and challenges of strategic partnership and cofinancing. For example, should IFAD participate in multi-donor coalitions that have helped fragile countries recover following conflicts? If so, how?
42. The IFAD Partnership Strategy makes a passing reference to working in fragile states and situations, noting the need to work with non-government players (non-governmental organizations and civil society). While the CLE fully endorses this emphasis and would also highlight the potential contribution of the private sector in fragile situation, this should not be at the expense of contributing to building institutional capacities of government agencies in the agricultural sector, given that they provide the broader authorizing environment for inclusive and sustainable rural transformation.
43. **IFAD's operating model.** Enhanced country presence has been an important feature in IFAD's institutional evolution in the past five to seven years (see table 8 of the main report).
44. Of the 40 country offices established so far, 19 are located in fragile states. In 11 of these 19 cases, the country programme manager (CPM) is located in the country, but only four CPMs are outposted in countries that have always been classified as fragile. This reflects greater recognition of the need to open up new offices and outpost CPMs to fragile states (e.g. IFAD has outposted CPMs in Haiti, the Democratic Republic of the Congo, and Sudan). However, no explicit policy has been articulated to implement a distinctive approach or devote sufficient resources for setting up country offices in fragile states.
45. Evaluations find that the move to direct supervision and implementation support brings benefits in terms of development effectiveness. However, no special supervision focus regarding issues of fragility is evident. This is consistent with the fact that systematic monitoring of issues related to fragility does not take place. Scrutiny of supervision mission reports also suggests that little attention is paid to risk management.
46. Notwithstanding some variations in individual cases, supervision budgets are not differentiated according to country and project needs. Yet, one would expect larger supervision budgets to be assigned to projects in fragile situations in order to ensure more timely and comprehensive implementation support for better outcomes. Supervision budgets are managed at the regional level, allowing regional directors the flexibility to allocate resources where they are most needed. However, there is no institutional approach to this process and it is difficult to gain a proper estimate of supervision costs. This is partly because supervision missions often take place jointly with planning or policy dialogue work, and it is not possible to analyse the relative effort by country or project.
47. The role of CPMs in fragile situations merits particular reflection. CPMs are required to perform multiple tasks, although in some cases they are supported by national

country programme officers. Their functions and capacities to deliver in fragile states and situations needs deeper attention – in terms of training on fragility analysis and building partnerships, tools and guidance for monitoring and evaluation in conflict areas, and rewards and recognition. The broader incentives framework and human resource policies need to be customized accordingly. In addition, opportunities for sharing lessons and exchanging experiences from operations in fragile states and situations – especially across regional divisions – have been limited in the past.

## **F. Conclusions and recommendations**

### **Conclusions**

48. **Overarching message.** IFAD has a critical role to play in fragile and conflict-affected states and situations in promoting sustainable inclusive development and rural transformation. A very large number of people live in severe poverty in such contexts. As the only multilateral development organization that focuses exclusively on smallholder agriculture development in rural areas, the Fund has a unique responsibility to support local production and livelihoods systems in fragile situations, and help poor rural people improve their incomes, nutrition, food security and well-being.
49. There is growing interest among the international community in assisting fragile and conflict-affected states and situations. IFAD too is paying greater attention to this issue by clearly recognizing that it needs to adapt to perform better in such contexts. Both the discussions and commitments in the recently concluded IFAD10 Consultation and this dedicated evaluation on the topic are examples of the organization's pledge to do things differently.
50. IFAD will, however, need to adapt further and sharpen its approaches to achieve better outcomes in fragile and conflict-affected states and situations, especially given that more than half of its recipient countries are currently classified as fragile states. This evaluation has highlighted several core issues that will need to be tackled upfront in order to achieve desired improvements and results in the future.
51. **IFAD's policy framework is fragmented and needs tightening.** Although IFAD has several corporate guidance documents on topics related to fragile states, post-conflict and disaster early recovery, there is no single overarching policy statement that can serve as the main reference to IFAD staff and consultants, or clarify to Member States and other development partners the organization's role and priorities in this area. Moreover, the existing documents do not provide sufficient clarity on definitions, do not consider the wider issues of fragility and conflict, and contain limited explanation of the differences between conflict, conflict prevention, post-conflict rehabilitation and transitional development. IFAD's Partnership Strategy, which is so fundamental, does not provide adequate guidance for developing strategic partnerships in fragile situations, including with bilateral and multilateral organizations. Similarly, many other corporate policies lack the tools and techniques for working in fragile situations.
52. **COSOPs and project design generally contain good poverty analysis, but less analysis of fragility and conflict issues.** COSOPs and projects are not sufficiently customized and often do not consider the drivers of fragility. Also, the current system adopted by IFAD for classifying countries as fragile has important implications, which would be worth reconsidering in the future (taking into account IFAD's mandate of building resilience and ushering in opportunities for sustainable grassroots development in the agriculture sector). In addition, the evaluation found that project designs have been ambitious, are not sufficiently tailored to context and often do not consider the generally weak policy and institutional frameworks in fragile situations. In fact, weak institutions, government capacity and policies are a major constraint to better performance on the ground. Finally, COSOPs are overloaded and do not include budget estimates for achieving objectives. Relatively

few additional resources are made available to CPMs to perform the necessary in-depth analytic work needed in fragile and conflict-affected states and situations.

53. **There have been improvements in the operating model, but further customization is needed** to respond to the specific requirements of working in fragile and conflict-affected states and situations. Direct supervision and implementation are a very positive move, but more attention needs to be given to customizing processes and budgets to address issues of fragility and conflict. The same applies to IFAD country offices and outposting of CPMs: while paying dividends and contributing to better performance in general, a more tailored approach will be required in the future. On a related note, although significant advances have been made in IFAD's overall human resources management in the past three to four years, the requirements of the Fund's workforce at the forefront of fragile situations have not been addressed in a comprehensive manner. Last but not least, weak data collection and inadequate monitoring and evaluation systems pose serious challenges to results measurement and reporting and the identification of good practices and lessons learned.

#### **Recommendations**

This CLE makes the five following recommendations:

54. **Policy and strategy**
- Draft an overarching corporate policy statement including a new definition that sets out the principles for IFAD's approach to engagement with fragile and conflict-affected states and subnational situations. As part of the policy, clearly define the development threshold that will assist staff in determining the fragility situation in particular countries or regions, allowing them to design operations using appropriate tools and instruments. This policy statement should be approved by the Board and consider the major issues identified in this evaluation.
  - Adopt a simpler approach to classification of countries with fragile situations, which is specific to IFAD's mandate and priorities. The country's policy and institutional capacity should be among the most fundamental criteria considered in the new classification system.
  - Strengthen the fragility and conflict analysis in the COSOP through the provision of greater resources and by building more explicitly on the analysis by partner IFIs and United Nations organizations in these countries. More frequent updating is desirable to enable IFAD to manage the strategy more effectively. Future COSOPs should include budget estimates for achieving agreed-upon objectives.
55. **Project and programme design**
- Programme design needs to identify where IFAD can engage and where it cannot. In countries with subnational fragile situations, where basic security requirements do not preclude IFAD's involvement, IFAD needs to decide whether to engage or not based on the potential for impact on rural poverty.
  - Include simple objectives and design, taking into account the country's policy and institutional context, and devote greater attention to ensuring customization of development approaches (e.g. to gender equality and women's empowerment) depending on the context.
  - In countries experiencing weak institutional capacity and poor governance, IFAD can build on current practices of working with local communities, farmer organizations and lower levels of government dealing with service delivery.
56. **Project and programme implementation**
- Expand direct supervision and implementation support in quantity and technical content, ensuring allocation of corresponding budgets based on needs rather

than on pre-determined allocations by project. Technical staff from IFAD's Policy and Technical Advisory Division should further expand their participation in such processes as well as in COSOP and project designs.

- Explicitly prioritize the establishment of new IFAD country offices and outposting of CPMs in countries affected by fragility and conflict.
- Create strategic partnerships to leverage complementary skills and provide a higher level and broader basis of implementation support.

#### 57. **Empowerment of staff**

- Efforts should be made to introduce specific incentives for staff working in fragile states and conflict-affected situations, including those based in headquarters discharging similar functions. Working in fragile situations should be included as a main criterion for professional development and diversification as well as career advancement within the broader framework of IFAD's performance evaluation system. Greater attention to capacity-building and training needs of staff should also be explicitly promoted, and platforms for exchanging knowledge, good practices and experiences of working in fragile states (across regional divisions) should be introduced.

#### 58. **Results measurement**

- **Plan and resource project monitoring and evaluation more selectively.** Greater attention needs to be paid to planning for monitoring and evaluation during project design. At present, the approach is one size fits all. All projects should be required to defend their design with proven evidence from earlier phases or other locations that the intervention will work in the planned context. Where evidence is lacking, contexts are different or where a project is an acknowledged innovation or pilot, monitoring and evaluation will require more resources.
- **Revise IFAD's results measurement framework to include indicators of outcomes related to fragility.** The major gaps lie in measuring women's empowerment and institutional performance. Indicators and means of measurement need to be established in both areas.