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## Result-based Country Strategic Opportunities Programmes

EVALUATION SYNTHESIS







Enabling poor rural people  
to overcome poverty

**Independent Office of Evaluation**

## **Results-based Country Strategic Opportunities Programmes**

### **Evaluation synthesis**

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## Preface

*The main objective of this evaluation synthesis report is to capture IFAD's experience in the use of results-based country strategic opportunities programmes (RB-COSOPs) and to identify related challenges and opportunities. The report also attempts to detect lessons learned and good practices from other development organizations. The synthesis is based on a desk review of past country programme evaluations undertaken by the Independent Office of Evaluation of IFAD (IOE), on discussions with IFAD Management and staff, and on interviews with relevant staff from other international financial institutions.*

*The most recent country programme evaluations observe that in terms of relevance, RB-COSOPs have generally been aligned with IFAD's and the partner country's strategic objectives. Nevertheless, there are some areas not sufficiently addressed, such as engagement with the private sector, smallholder agriculture, indigenous peoples' issues and approaches towards scaling up. The report shows that country programme evaluations have generally rated effectiveness of RB-COSOPs as 'moderately satisfactory or better'. However, since this criterion (i.e. COSOP effectiveness) was introduced only in 2009, it is not possible to conclude whether RB-COSOPs reflect an improvement over COSOPs in terms of effectiveness. Overall project performance has also improved over the years. However, it is still too early to assess whether newer operations included in RB-COSOPs are implemented significantly better than earlier projects because most of them are ongoing and only a few have been evaluated at completion by IOE.*

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Acting Director  
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At the Fuhenzane Women's Group meeting, the chair lady addresses group members in the village of Asena, Kenya.

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## Abbreviations and acronyms

|          |   |
|----------|---|
| ADB      | Asian Development Bank                                  |
| AfDB     | African Development Bank                                |
| APR      | Asia and the Pacific Division (IFAD)                    |
| ARRI     | Annual Report on Results and Impact of IFAD Operations  |
| COSOP    | country strategic opportunities programme/paper         |
| CPE      | country programme evaluation                            |
| CPM      | country programme manager                               |
| CPS      | country partnership strategy (ADB)                      |
| ESA      | East and Southern Africa Division (IFAD)                |
| FAO      | Food and Agriculture Organization of the United Nations |
| ICO      | IFAD country office                                     |
| IDB      | Inter-American Development Bank                         |
| IFAD9    | Ninth Replenishment of IFAD's Resources                 |
| IFI      | international financial institution                     |
| IOE      | Independent Office of Evaluation of IFAD                |
| LAC      | Latin America and the Caribbean Division (IFAD)         |
| MTR      | midterm review/report                                   |
| M&E      | monitoring and evaluation                               |
| NEN      | Near East, North Africa and Europe Division (IFAD)      |
| NGO      | non-governmental organization                           |
| NLA      | non-lending activity                                    |
| OSC      | Operational Strategy and Policy Guidance Committee      |
| PBAS     | performance-based allocation system                     |
| PMD      | Programme Management Department (IFAD)                  |
| PMU      | programme/project management unit                       |
| QA       | quality assurance                                       |
| QE       | quality enhancement                                     |
| RB-COSOP | results-based country strategic opportunities programme |
| SKM      | Office of Strategy and Knowledge Management (IFAD)      |
| WCA      | West and Central Africa Division (IFAD)                 |



## Executive summary

1. In December 2011, the Executive Board requested the Independent Office of Evaluation of IFAD to prepare a synthesis report on the experience gained in results-based country strategic opportunities programmes (RB-COSOPs) – introduced in 2006. The synthesis sought to evaluate whether RB-COSOPs are serving as instruments for: (i) improved country programme planning; (ii) learning and accountability; and (iii) strengthening synergies between lending and non-lending activities.
2. COSOPs approved prior to 2006 were largely viewed as internal documents for identifying investment opportunities and pipeline projects, rather than as a tool for strategic, dynamic management of IFAD-supported programmes. They were prepared with limited participation by and input from in-country partners. In contrast, the RB-COSOP emphasizes: alignment with national priorities; joint IFAD and country ownership; synergies between lending and non-lending instruments; results and performance management; learning and accountability; partnership-building and harmonization; and innovations and scaling up. This approach seeks a sharper focus on rural poverty, with more-effective targeting of the poorest people in rural areas. At the time of writing, 50 RB-COSOPs have been approved.
3. The most recent country programme evaluations (CPEs) have observed that in terms of *relevance*, RB-COSOPs have generally been aligned with IFAD's and the partner country's strategic objectives. Nevertheless, there are some areas not sufficiently addressed, such as engagement with the private sector, smallholder agriculture, indigenous peoples' issues, and approaches towards scaling up. Overall, RB-COSOP *effectiveness*, which determines the extent to which the strategic objectives were or are likely to be achieved, is rated well.
4. CPEs have noted an improvement in *overall portfolio performance*, which also includes an assessment of rural poverty impact, sustainability, innovation and scaling up. However, it is still too early to assess whether the projects included in RB-COSOPs are implemented significantly better than earlier projects, because they are ongoing and have not yet been evaluated.
5. Other findings by CPEs indicate *scope for improving synergies* between different instruments (loans and grants, including other non-lending activities). However, there are a *number of limitations* that constrain the performance of non-lending activities: insufficient budgetary allocations, if any; limited incentive structure; insufficient in-country human resources; limited grant resources and cumbersome access procedures; and insufficient integration of these activities into overall country programmes.
6. In general, the importance and utility of the RB-COSOP is widely acknowledged within IFAD as a strategic document that helps guide IFAD's country engagement in line with national priorities, and promotes *mutual ownership and accountability*. Concerns and uncertainties remain regarding when an RB-COSOP should be undertaken and whether the COSOP cycle (five years) should be aligned with the performance-based allocation system cycle (three years at present). No RB-COSOPs provide an indication of the budget required for their delivery and attainment of their strategic objectives.
7. With increasing demands for better analytical inputs in COSOP formulation, especially in regard to conducting thorough *background studies* and *analysis of institutional architecture* at the country level, concerns remain as to how this can be achieved given the rather meagre resources allocated for COSOP preparation.
8. While most country programme managers (CPMs) have found the guidelines useful, the *review process* has proven cumbersome and time-consuming; it has not facilitated an effective dialogue with recipient governments and quite often has not

provided significant value added. CPMs are often obliged to spend considerable time responding to the issues raised, sometimes in repeated back-and-forth exchanges. The underlying grievance is that greater importance is given to the views of external reviewers than to those of the CPM accountable for the entire RB-COSOP process. It is felt that it might be necessary to 'front-load' the review process to avoid diplomatic tangles with the government or contradicting the ownership principle.

9. A key distinguishing feature of the RB-COSOP is the inclusion of a *results management framework* (RMF) to track the performance and impact of IFAD's contribution and to promote accountability. While reporting of results and outcomes has improved over the years, significant challenges at project and country programme levels do remain: choosing appropriate indicators that capture outcomes and impacts; linking project goals and outcomes with country-level strategic goals and outcomes; determining realistic goals and expected outcomes; and formulating dedicated composite indicators and targets that measure government performance. Another area of concern continues to be the lack of integration of outputs from IFAD's monitoring and evaluation (M&E) systems into national M&E systems.
10. As in IFAD, all other *international financial institutions* (IFIs) have evolved their country strategy processes, mainly led by their country offices, with the intention of incorporating the principles of ownership included in the Paris Declaration on Aid Effectiveness, and in particular the principle of measuring results. While IFI country strategies also include an RMF, unique IFAD features are the inclusion of the agreement at completion point whenever a CPE has preceded formulation of the RB-COSOP and of the RMF of the last country strategy. Compared with IFAD, the most obvious difference lies in the multisectoral dimension of other IFIs. This element adds complexity to the preparation of country strategies. A common feature among all other IFIs is the full involvement of their staff in the entire process, while the use of external consultants is considered an exception. In terms of resources devoted to country strategy preparation, all other IFIs allocate greater resources than IFAD – estimates range from US\$250,000 to US\$500,000. The contents of strategy documents reflect more similarities than differences. Compared with IFAD COSOPs, there is more attention to the identification of risks and mitigation measures.
11. Overall, a survey of the evidence available would support the following observations:
  - **Country programme planning.** RB-COSOPs have helped improve effective country programme planning by ensuring better geographical and demographic targeting and alignment with national development goals and the *IFAD Strategic Framework 2011-2015*. Serious efforts have been made to promote full country ownership of the programmes in accordance with the Paris Declaration. Still, there is work to be done, especially with regard to aid harmonization and adoption of national systems of implementation, monitoring and reporting;
  - **Synergies between lending and non-lending activities.** While RB-COSOPs have led to increased attention to policy dialogue, partnership-building and knowledge management in order to promote innovations and scaling up, the effectiveness of these activities is greatly limited by the fact that they are underresourced. Thus synergies are not adequately created between these activities (including the use of grants) and the desired impacts are not realized;
  - **Learning and accountability.** The RB-COSOP's emphasis on knowledge generation and sharing, as well as on tracking and monitoring of results, has led to a heightened sense of accountability among all key stakeholders and has contributed to improved country programme performance. IFAD is generally seen as a reliable and supportive development partner that contributes a wealth

of international experience to this effort. The RB-COSOP is viewed as an important input in strengthening and deepening this relationship, while making IFAD's development contribution more effective; and

- **A number of issues might be considered** by IFAD Management to further enhance IFAD operations: (i) simplification and streamlining of the RB-COSOP guidelines; (ii) enhanced budgets for RB-COSOP formulation and monitoring; (iii) re-examination of the review process, which is cumbersome and time-consuming, and even 'front-loading' early in the process; (iv) refocusing of RB-COSOP monitoring, beyond portfolio reviews, on assessing whether projects and non-lending activities together are contributing towards achieving the RB-COSOP's strategic objectives; (v) weakness of M&E systems at project and country programme levels of the RMF hinders the integration of outputs from IFAD's M&E system into the national M&E system and prevents COSOPs from becoming 'living documents'; and (vi) renaming the RB-COSOP to 'country partnership strategy' in line with the principles of the most recent declarations on aid effectiveness.



Farmers intercrop beans and maize in Oito de Outubro community, Simão Dias district, Brazil.

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# Results-based Country Strategic Opportunities Programmes

## Evaluation synthesis

### I. Introduction

1. The Executive Board session of December 2011 requested the Independent Office of Evaluation of IFAD (IOE) to prepare a synthesis report on the experience gained in results-based country strategic opportunities programmes (RB-COSOPs). The main aim of this synthesis is to facilitate learning and the use of evaluation findings. Synthesizing existing evaluation material would allow evaluation evidence to be packaged and fed into the decision-making process when neither adequate time nor resources were available to undertake a full-fledged evaluation.
2. The RB-COSOP was introduced in 2006 as an element of the IFAD Action Plan formulated following the 2005 Independent External Evaluation (IEE) of IFAD. The objective was to improve the effectiveness and overall performance of IFAD's engagement with partner countries, placing more emphasis on results and performance management and complying with the alignment and harmonization agenda emerging from the Paris Declaration.<sup>1</sup> Since then, a total of 50 RB-COSOPs have been prepared. IFAD's Strategic Framework views the RB-COSOP as an important tool to help IFAD "achieve its strategic objectives".<sup>2</sup>

### II. Objectives, scope and methodology

3. **Objectives.** As stated in the concept note prepared by IOE at the outset of the process, the objective of this synthesis report is to assess whether the RB-COSOP has enabled IFAD to enhance the performance of its country programmes, and whether it is serving as an instrument for: (i) improved country programme planning and delivery; (ii) learning and accountability; and (iii) strengthening synergies between lending and non-lending activities (policy dialogue, knowledge management, partnership-building and grants).
4. **Scope.** The report covers the period since December 2006 Executive Board approval of the RB-COSOP guidelines. It includes: (i) an assessment of trends in RB-COSOPs as reflected in past IOE evaluations and in Programme Management Department (PMD) self-assessments; (ii) a review of selected 'new' RB-COSOPs and 'old' COSOPs,<sup>3</sup> their annual reviews, etc.; and (iii) a review of corresponding country strategy documents of comparable institutions.
5. **Methodology.** The synthesis report draws on a review of several documents (annex II) and sources of information, including:
  - (i) All country programme evaluations (CPEs) and Annual Reports on Results and Impact of IFAD Operations (ARRIs) prepared since 2007;

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<sup>1</sup> The *Paris Declaration on Aid Effectiveness* (March 2005) commits countries to a set of principles governing the delivery and effective use of aid based on five 'partnership commitments': (i) ownership (partner countries exercise effective leadership over their development policies and strategies and coordinate development actions); (ii) alignment (donors base their overall support on partner countries' national development strategies, institutions and procedures); (iii) harmonization (donors' actions are more harmonized, transparent and collectively effective); (iv) managing for results (managing resources and improving decision-making for results); and (v) mutual accountability (donors and partners are accountable for development results). The *Accra Agenda for Action* (September 2008) reiterated these principles and worked out a strategic action plan to realize them, while recognizing the need for South-South development cooperation. The *Busan Partnership Agreement* (November-December 2011) recognized that new actors – especially emerging countries, civil society, the private sector and others – had entered the development aid space, and it welcomed their participation on the basis of common goals, shared principles and differential commitments. It also broadened the development agenda by drawing attention to the need to move "from effective aid to cooperation for effective development" and looking beyond "partnering for progress towards and beyond the Millennium Development Goals".

<sup>2</sup> *IFAD Strategic Framework 2011-2015*, p. 35.

<sup>3</sup> For the purposes of this report, all country strategies and country programmes approved before December 2006 will be referred to as COSOPs, while those approved after will be referred to as RB-COSOPs.

- (ii) 12 RB-COSOPs and seven COSOPs<sup>4</sup> from all five geographical regions;
  - (iii) Various IFAD management documents, including: the 2011 *Updated Guidelines and Source Book for Preparation and Implementation of a Results-Based Country Strategic Opportunities Programme*; quality enhancement (QE)/quality assurance (QA) documents; Operational Strategy and Policy Guidance Committee (OSC) meeting minutes and issues papers; external/internal reviews; and verbatim records of IFAD's Executive Board sessions;
  - (iv) COSOP/country programme annual reviews, midterm reports; regional portfolio reviews and an analysis of country strategy instruments of comparable institutions;
  - (v) Country strategy documents of four other international financial institutions (IFIs), namely the World Bank, African Development Bank (AfDB), Asian Development Bank (ADB) and Inter-American Development Bank (IDB);
  - (vi) Bilateral interviews with IFAD Senior Management, IOE and other IFAD staff, members of the Board, and interactions with focus group members (annex III); and
  - (vii) Feedback received during a learning workshop at IFAD on 8 November 2012, which included representatives from AfDB, ADB and IDB, as well as a former country director of the World Bank.
6. The report triangulates the findings emerging from the above documents and sources of information. An effort is made throughout to support evaluative evidence with concrete examples, described in boxes and/or footnotes. As mentioned in paragraph 8, different sections of the report will be supported by different evaluative evidence.
7. **Limitations** of the report: (i) only five of the 50 RB-COSOPs approved so far have been evaluated by IOE in the context of the CPEs completed in 2011-2012.<sup>5</sup> CPEs are normally conducted towards the end of a COSOP period, to assess past results and provide building blocks for the new COSOP in the same country. Thus this synthesis report covers the five CPEs already conducted by IOE of RB-COSOPs; (ii) country strategies have been fully rated by CPEs only from 2009, when IOE introduced its new methodology; (iii) the completion reports of RB-COSOPs envisaged in the 2011 guidelines have not yet been produced by Management; and (iv) no feedback from recipient governments was collected, though this is to some extent covered in CPE reports by IOE. As a consequence of these limitations, the report aims to serve primarily as an opportunity for learning and knowledge-sharing, rather than simply as an instrument of accountability.
8. **Structure.** Section III begins with a brief historical overview of the evolution of IFAD's experience with country strategy. Section IV then makes a comparison between COSOPs and RB-COSOPs based on a review of selected country strategy documents in four countries. Based on a review of CPEs, ARRIs and country strategy documents, section V assesses trends in the performance of: (i) COSOPs and RB-COSOPs; (ii) the lending portfolio; and (iii) non-lending activities. Whenever possible, a comparison of the performance of RB-COSOPs and COSOPs will be made. Section VI relies on the feedback obtained through interviews and management documents, and will focus on selected issues that may need to be addressed to further enhance the use and effectiveness of RB-COSOPs. Section VII captures some of the relevant experience of other IFIs, and section VIII presents conclusions and lessons learned.

<sup>4</sup> COSOPs of the following countries: Brazil, Egypt (2), Kenya, Rwanda, Viet Nam and Yemen.

<sup>5</sup> Kenya, Mali, Rwanda, Viet Nam and Yemen. It should be noted that the CPEs for Kenya, Rwanda, Viet Nam and Yemen covered both a COSOP and an RB-COSOP and were used for comparative purposes. The CPE for Indonesia is being completed, but its ratings have not yet been disclosed.



### **III. Evolution of IFAD's approach: from COSOP to RB-COSOP**

9. IFAD's experience with country strategies was not immediate. During its first years of existence, from 1978 to 1985, the Fund largely inherited project ideas from other agencies, limiting its role to that of a 'check-writing' institution. In its second decade (late 1980s and 1990s), IFAD became increasingly responsible for the design of the projects it financed. During this period, special programming missions were fielded to identify priority objectives for IFAD financing. When needed, country-level project pipelines would be built on the basis of general identification missions. Until the mid-1990s, the entire focus remained on projects and country portfolios under the responsibility of area managers called project controllers, who were later renamed country portfolio managers.
10. The introduction of country strategy documents took place a few years later at the request of the Executive Board, when a few members expressed the view that rather than reviewing project proposals, the Board should start reviewing country strategy documents, as practised in other IFIs. Initially this review took place in selected countries only. Country programmes became more structured only at the beginning of 2000 with the early COSOPs, and with country portfolio managers now being renamed country programme managers (CPMs).
11. COSOPs prepared prior to 2006 were largely viewed as internal documents for identifying investment opportunities and pipeline projects, rather than as a tool for strategic, dynamic management of IFAD-supported programmes. They were prepared with limited participation by and input from in-country partners.
12. These COSOPs: generally lacked focused strategic objectives; had limited accountability mechanisms; had no coherent, defined strategy for achieving policy objectives;<sup>6</sup> did not define pathways for scaling up successful approaches; and had inadequate institutional analysis and limited coverage of non-lending activities,<sup>7</sup> which were not given the required attention in terms of deliverables, workplans and allocation of resources.<sup>8</sup>
13. Not surprisingly, IOE's CPEs repeatedly pointed out that country strategies were often a compilation of individual investment operations not always coherently tied together,<sup>9</sup> often too ambitious, with insufficient attention given to building synergies among projects and non-lending activities, and often developed without adequate participation by the partner country. Moreover, several CPEs identified a mismatch between performance at project and country levels. Finally, in terms of relevance, country strategies were not rated as highly as were IFAD-funded projects.
14. The 2005 IEE<sup>10</sup> and the Paris Declaration (also 2005) both called for greater development aid effectiveness and the introduction of a results management framework. In response, IFAD developed a new 'operating model', an important component of which was the RB-COSOP, introduced in 2006.
15. The RB-COSOP emphasizes: alignment with national priorities; joint IFAD and country ownership; synergies between lending and non-lending instruments; results and performance management; learning and accountability; partnership-building and harmonization; and innovations and scaling up. This approach seeks a

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<sup>6</sup> "COSOPs sometimes set goals for policy dialogue, but these were either overambitious (Brazil), unfocused (Sudan) or more commonly had no resources attached (Brazil and Ethiopia)." – ARRI 2010, p. 49.

<sup>7</sup> "It is useful to clarify that older generation COSOPs had little coverage of non-lending activities." – *ibid.*, 47.

<sup>8</sup> *Ibid.*

<sup>9</sup> As an example, the 2005 CPE of Rwanda found that while the COSOPs of 1999 and 2002 were broadly relevant to government and IFAD policies, they were "inadequate for promoting a programme approach coherent with and complementary to the national priorities in the agricultural sector" – Rwanda CPE, 2012, p.19.

<sup>10</sup> The IEE observed that many problems affecting IFAD engagements stemmed from "a lack of clear performance indicators and targets to monitor performance" (IEE, p. 53, 2.90).

sharper focus on rural poverty, with more-effective targeting of the poorest people in rural areas; enhanced quality and impact on the ground; improved sustainability; increased relevance; and greater efficiency of IFAD-supported projects and programmes, thus furthering IFAD's overall development effectiveness.<sup>11</sup>

16. Since approval of the 2006 guidelines, 50 RB-COSOPs have been approved with the following geographical distribution (table 1): West and Central Africa (WCA) 14; Asia and the Pacific (APR) 11; Latin America and the Caribbean (LAC) 9; East and Southern Africa (ESA) 8; and Near East, North Africa and Europe (NEN) 8. Twelve were preceded by a CPE before formulation and five were assessed most recently by CPEs carried out and completed in 2010-2011.

Table 1  
RB-COSOPs approved

|              | 2007  | 2008  | 2009   | 2010   | 2011   | 2012  |
|--------------|---|---|--|--|--|---|
| April        | Honduras  | Afghanistan   | Haiti<br>Pakistan <sup>a</sup><br>(CPE 2008)<br>Sudan <sup>a</sup><br>(CPE 2009) | Azerbaijan<br>Dominican Republic<br>Nigeria <sup>a</sup><br>(CPE 2009)<br>Sierra Leone | India <sup>a</sup><br>(CPE 2010)   | Bangladesh<br>Viet Nam <sup>a</sup><br>(CPE 2012) |
| Sep          | Burkina Faso<br>Cameroon<br>Mauritania<br>Kenya <sup>b</sup><br>(CPE 2011)<br>Rwanda <sup>a</sup> (CPE 2006),<br><sup>b</sup> (CPE 2012)<br>United Rep. of Tanzania<br>Panama | Burundi<br>Viet Nam <sup>b</sup><br>(CPE 2012)<br>Brazil <sup>a</sup><br>(CPE 2008)                           | Chad<br>Peru<br>Philippines  | Côte d'Ivoire  | Benin<br>China<br>Lao<br>Liberia<br>Mozambique <sup>a</sup> (CPE 2010)<br>Zambia | Egypt   |
| Dec          | Mali <sup>a</sup> (CPE 2007),<br><sup>b</sup> (CPE 2011)<br>Cambodia<br>Bolivia<br>Mexico<br>Jordan<br>Moldova<br>Yemen <sup>b</sup><br>(CPE 2011)                            | Ethiopia <sup>a</sup><br>(CPE 2009)<br>Guatemala<br>Guinea<br>Indonesia<br>Morocco <sup>a</sup><br>(CPE 2008) | Congo<br>Malawi<br>Syrian Arab Republic  | Senegal  | Congo  |   |
| <b>Total</b> | <b>15</b>   | <b>9</b>  | <b>9</b>   | <b>6</b>   | <b>8</b>   | <b>3</b>  |

<sup>a</sup> RB-COSOP preceded by CPE.

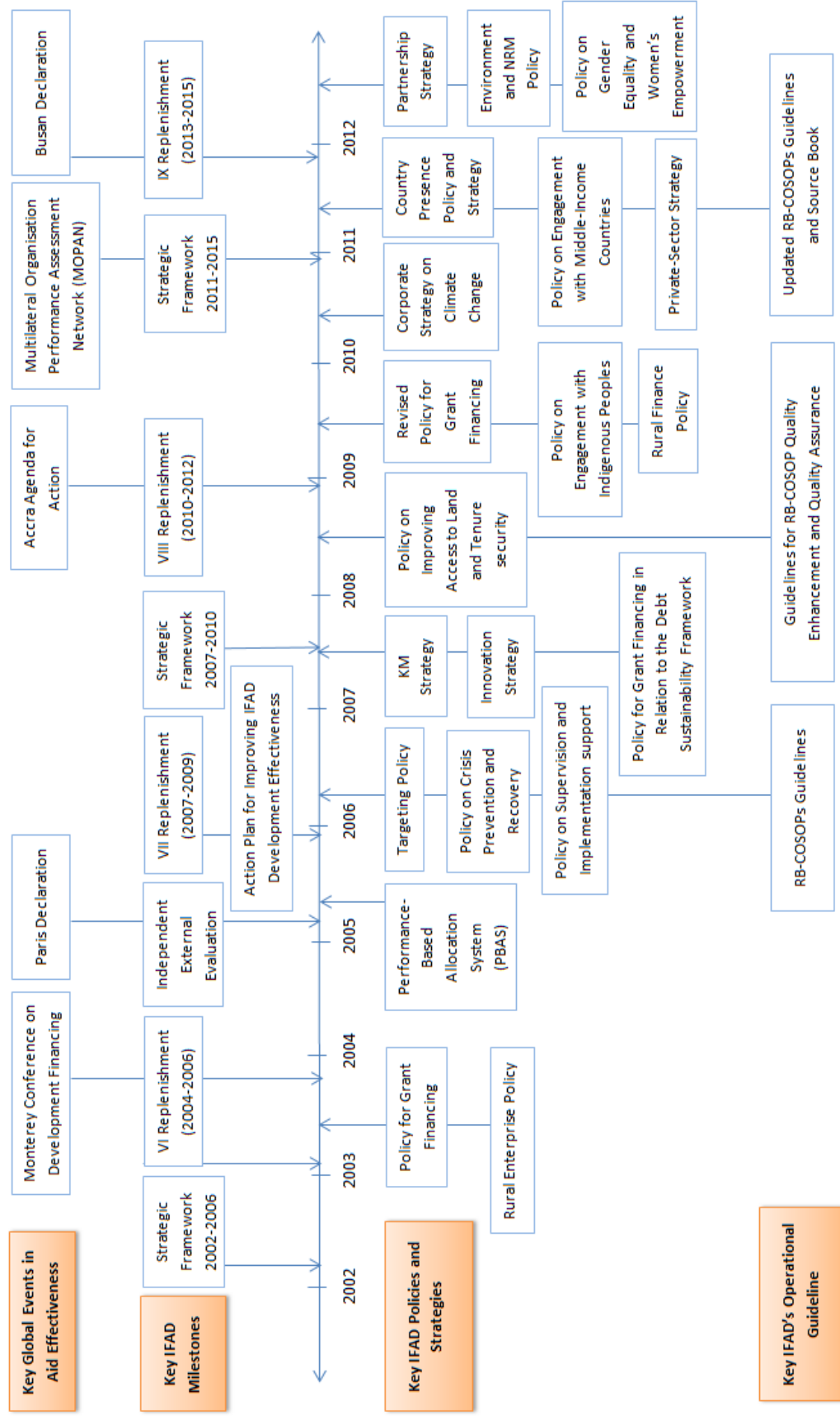
<sup>b</sup> RB-COSOP reviewed by CPE.

| Total RB-COSOPs (by region) | Preceded by CPEs | Reviewed by CPEs |
|-----------------------------|------------------|------------------|
| APR: 11                     | 3                | 1                |
| ESA: 8                      | 3                | 2                |
| LAC: 9                      | 1                |                  |
| NEN: 8                      | 2                | 1                |
| WCA: 14                     | 2                | 1                |

<sup>11</sup> The main new features of the RB-COSOP were: (i) joint ownership; (ii) synergy between lending and non-lending investments; (iii) results management; (iv) accountability; (v) baselines, indicators and quantification wherever possible; (vi) annual reporting; (vii) a project pipeline; (viii) a financing framework; and (ix) arrangements for COSOP management.

17. Since 2006 – following the recommendations of the IEE and commitments made by IFAD during negotiations for the Seventh and Eighth Replenishments of IFAD's Resources – the Fund has embarked on significant institutional changes. These have involved approval of several new policies and strategies, many of which have implications for the formulation of RB-COSOPs. Table 2 captures these changes in a timeline. Among them, the 2005 performance-based allocation system (PBAS), the 2007 Knowledge Management and Innovation Strategies, and the recently approved Partnership Strategy. Annex VII provides a few examples of the implications of the new strategies and policies for the preparation of RB-COSOPs. As a result, the RB-COSOP guidelines issued by IFAD Management in 2006 were revised in 2011. Last, but not least, the evolution towards RB-COSOPs should be looked at in the context of the two most important institutional reforms of recent years, which have changed IFAD's operating model: the 2006 Supervision and Implementation Support Policy and the 2011 IFAD Country Presence Policy and Strategy.

Table 2  
Timeline of IFAD policies related to RB-COSOPs



### Key points

- From 1978 to 1985, the Fund largely inherited project ideas, limiting its role to that of a 'cheque-writing' institution. IFAD became increasingly responsible for the design of its own projects during the second decade. Until the mid-1990s, the entire focus remained on projects and country portfolios. Country strategy documents were introduced a few years later with the early COSOPs and CPMs.
- The results-based country strategic opportunities programme (RB-COSOP) was introduced in 2006 in response to the many deficits of early COSOPs: identifying investment opportunities and pipeline projects rather than being a tool for strategic and dynamic management; lacking focused strategic objectives; and having limited accountability mechanisms and limited coverage of non-lending activities.
- The RB-COSOP emphasizes alignment with national priorities, joint IFAD and country ownership, synergies between lending and non-lending instruments, results and performance management, learning and accountability, partnership-building and harmonization, innovations and scaling up.
- The RB-COSOP approach seeks a sharper focus on rural poverty, with more-effective targeting of the poorest people in rural areas; enhanced quality and impact on the ground, improved sustainability, and increased relevance and greater efficiency of IFAD-supported projects and programmes, thus furthering IFAD's overall development effectiveness.
- The last decade at IFAD was also marked by significant institutional and policy changes. The two most important institutional reforms introduced in recent years were the 2006 Supervision and Implementation Support Policy and the 2011 IFAD Country Presence Policy and Strategy.

## IV. Comparison of COSOP and RB-COSOP

18. The 2011 Updated Guidelines<sup>12</sup> include a useful table that summarizes the main differences introduced with the RB-COSOP on the basis of 14 parameters (annex I). The synthesis report has made a comparative assessment on the basis of these parameters, focusing its analysis on the four countries assessed recently by CPEs: Kenya, Rwanda, Viet Nam and Yemen. These parameters also include some of the principles generated by the Paris Declaration (ownership, alignment with national poverty reduction strategy, managing for results), while the principles of the Accra and Busan Declarations (partnership principle, recognition of emerging new actors, private sector, South-South cooperation, the need to move from effective aid to effective development) have not been completely integrated. Finally, although the parameter of accountability is included, it seems that it is not fully in line with the meaning of the Paris Declaration principle of mutual accountability.
19. In general, the most significant and positive changes observed in the RB-COSOP relate to: (i) the sense of ownership built with in-country stakeholders, starting from the recipient government; (ii) the description of IFAD's comparative advantage in-country; (iii) definition of the targeting strategy; (iv) enhanced focus; (v) inclusion of the financing framework based on PBAS allocations; (vi) comprehensive description of all delivery instruments; and last, but not least, (vii) an indication of the results framework, accompanied by the arrangements for monitoring RB-COSOP achievements. Some detailed considerations follow.
20. **Targeting group and targeting strategy.** Following approval of the Targeting Policy: Reaching the Rural Poor, more attention has been devoted in RB-COSOPs to the description of vulnerable social groups and intended target groups. In particular, one key file requires the identification of target groups and poverty indicators. The targeting strategy should comprise both geographical and social considerations, together with targeting tools, to be developed further in the design

<sup>12</sup> IFAD, *Updated Guidelines and Source Book for Preparation and Implementation of a Results-Based Country Strategic Opportunities Programme (RB-COSOP)*, 2011.

of project interventions and coping mechanisms. All four RB-COSOPs have provided more-detailed analysis compared with previous COSOPs.<sup>13</sup>

21. **Enhanced focus.** All RB-COSOPs have made an attempt to reduce the number of strategic objectives. With the exception of Kenya, all previous COSOPs had a large number of 'strategic thrusts', not always aligned with the content of the investment portfolio. Hence the difficulties in bringing these thrusts into a realistic results framework. However, sometimes the strategic objectives, although reduced in number, are broadly defined and/or combine too many secondary objectives and end up being as overambitious as the COSOPs.

Box 1

**Kenya: A comparison of the 2002 COSOP and the 2007 RB-COSOP**

The Kenya COSOP of 2002 had only the broad goal of "rural poverty reduction and promotion of food security", which resulted in IFAD straying into areas that were not in IFAD's mandate nor where it has a comparative advantage, i.e. social infrastructure (health, water and sanitation). Only geographical targeting was done; social targeting was not considered. There was a logical framework (logframe), but no results management framework or COSOP review mechanism.

The RB-COSOP of 2007, on the other hand, while building on the previous COSOP, focused on IFAD's competencies. There were three specific strategic objectives, all of which were bound by a common thread: "the intensification, diversification, commercialization and value addition of the production system". There was also a systematic plan to realize these outcomes. The programme undertook both geographical and social poverty targeting. It had a results management framework and was reviewed in three annual reviews (from 2008 to 2011), as well as a midterm review (MTR) in 2009/10.

22. **Results and accountability framework.** While the expected results of COSOPs were presented using simple logframes, RB-COSOPs make a special effort to provide results management frameworks, including linkages between project-level and country-programme-level indicators. Their analysis is dealt with in section VI. The RB-COSOP of Rwanda is a meaningful example. In addition, while COSOPs did not make any provisions for annual reporting or MTR or completion reports, RB-COSOPs indicate a full set of monitoring instruments to track progress on results framework indicators.

Box 2

**Rwanda: Results framework in RB-COSOP**

The Rwanda RB-COSOP of 2007 was finalized over a two-year period after extensive consultations among various stakeholders. It had a clear targeting strategy aligned with each of the three strategic objectives; clear policy goals, also aligned with achieving the strategic objectives; and was supported by a results management framework that defined quantitative outcome targets for each of the strategic objectives, together with a related policy support and dialogue agenda. Country programme management was not specifically indicated in the 2002 COSOP, whereas the RB-COSOP provided technical assistance, training for project staff, direct supervision and implementation support, and strong anchoring of the project in public national and local institutions.<sup>14</sup>

<sup>13</sup> Nevertheless, greater clarity is called for with regard to *selectivity* of the target group in view of IFAD's policy of seeking greater engagement with markets and the value chain, as well as increased participation of the private sector. This clearly runs the risk of leaving out the 'poorest of the poor', who, in fact, do not have the potential to favourably engage with markets of the value chain. Selection of beneficiaries from among the target group, as well as their phasing in over the project investment period, is also an issue that must be clarified further (Source: Olivier Lafourcade, "Comments on Evaluation", 2 November 2012).

<sup>14</sup> Rwanda, CPE, 2012, pp.19-21, paragraphs 69, 72, 73 and table 5.



23. **Operational details.** An important feature of RB-COSOPs is the opportunity to attach project concept notes so as to include them simultaneously in the country project pipeline. The challenge remains as to whether to include these expected results in the RB-COSOP's results framework, in view of the limited information available.
24. **Complementarity of delivery instruments.** While COSOPs focused largely on the IFAD lending programme, RB-COSOPs are requested to provide not only more-comprehensive information about all the instruments made available by IFAD, but also to explain how they will be integrated and synergies created in order to meet the strategic objectives. This is all the more important since an increasing number of countries are not looking at IFAD for its financial assistance only, but rather for its capacity to facilitate knowledge transfer of successful poverty reduction interventions.

Box 3

**Viet Nam: RB-COSOP 2008 – responding to the country's growth aspirations**

During formulation of the RB-COSOP 2008, Viet Nam had transformed itself from a poor struggling country to an emerging market economy, with ambitions to achieve middle-income country status by 2010. Its need was not only for financial assistance; it also required knowledge and international experience regarding how other, similarly placed countries had overcome their poverty. It looked to IFAD to provide this experience and facilitate knowledge transfer. IFAD responded by developing its first knowledge management and communication strategy in the RB-COSOP 2008. It declared that "all future loan and grant projects will be designed to include a 'learning agenda' indicating what stakeholders expect to learn from the project, how they will capture what they learn, how they intend to communicate it and to whom." IFAD appointed a knowledge management officer and launched a country portfolio website in April 2010 with a view to reaching this goal.

*Source: Viet Nam, RB-COSOP, 2008, p. 12, paragraph 43; Viet Nam, CPE, 2012, p. 64.*

25. **Impact of CPEs on RB-COSOPs.** Finally, RB-COSOPs must respond to the conclusions and recommendations agreed by CPEs, whenever they took place. To this end, an agreement at completion point, agreed to and signed by IFAD Management and the partner government, is attached to the RB-COSOP and reviewed by the Executive Board. The agreement's recommendations are normally grouped into strategic and operational. It is an open question, worth serious consideration, whether the Executive Board, in addition to the Evaluation Committee, should discuss the full CPE report before submission of the RB-COSOP of the same country. This would be consistent with the approach taken by the governing bodies to discuss corporate-level evaluations, and would allow the Board to have a more-informed discussion of the new RB-COSOP proposal, especially to assess whether past experiences and lessons have been adequately reflected in the new country strategy proposal. So far, only Mali and Rwanda have received two CPEs, before and after the RB-COSOP. From this limited sample, it can be said that there is some evidence that CPE recommendations have been taken on board and have made a positive contribution to the formulation of a relevant country strategy document.
26. The importance of doing a CPE before an RB-COSOP was highlighted in the case of Ghana. Although IFAD did not commission specific analytical preparatory work, the 1998 COSOP drew from the conclusions and recommendations of the 1996 CPE. The CPE of 2011 rated this COSOP as 'satisfactory'. The 2006 COSOP (not an RB-COSOP), on the other hand, which was rated 'moderately satisfactory', was assessed as lacking a strong analytical background. It did not have the opportunity to draw on a CPE and lacked specific analysis to support key proposed strategic

changes, such as the shift towards a value-chain development approach and eliminating geographical targeting.<sup>15</sup>

Box 4

**Rwanda: CPE 2006/RB-COSOP 2007/CPE 2012**

From February until October 2005, IOE carried out the 2006 CPE for Rwanda, which took stock of the results and impact of the programme's operations over 10 years (1994-2004), and provided an input into ongoing revision of the country strategic opportunities paper (COSOP). In addition, the Rwanda CPE 2012 confirmed the relevance of the Rwanda COSOP of 2007, which was assessed as 'satisfactory' overall (5), taking into account: improvements since the 2006 CPE; a more-participatory COSOP definition that was highly relevant to country rural poverty reduction needs (mainly from field- and community-level perspectives); and full alignment with the priorities of government strategies. In line with the 2006 CPE recommendations, the Rwanda COSOP also encouraged the active participation of rural women in local planning and in the implementation of development activities.

#### **Key points**

- The synthesis report has made a comparative assessment of COSOPs and RB-COSOPs of Kenya, Rwanda, Viet Nam and Yemen, which were assessed recently by CPEs.
- The most significant changes, among others, in RB-COSOPs have been: (i) the description of IFAD's comparative advantage in-country; (ii) definition of the targeting strategy; (iii) better alignment with national poverty reduction goals; (iv) enhanced focus by reducing the number of strategic objectives; (v) identification of synergy and complementarity of all delivery instruments, including lending and non-lending activities; (vi) indication of a financing framework based on PBAS allocations; (vii) inclusion of a results management framework to monitor RB-COSOP achievements; and (viii) provisions for annual reporting and progress tracking.
- A question worth serious consideration is whether the Board, at large, should also have the opportunity to discuss full CPE reports before they consider a new RB-COSOP in the same country. This would strengthen the Board's understanding of past lessons and experiences, and allow them to have a more-informed discussion of the new country strategy proposal.

## **V. Findings from past evaluations**

### **A. COSOPs and RB-COSOPs**

27. The relevance, effectiveness and overall performance of country strategies are assessed by IOE in the context of CPEs. Table 3 assesses the performance of 16 COSOPs based on CPE ratings.

<sup>15</sup> Ghana, CPE 2011, page 71, paragraph 217.

Table 3  
CPE ratings of RB-COSOPs and COSOPs<sup>a</sup>

| Evaluation criteria              | 2011-2012 <sup>b</sup> (RB-COSOPs) |          |          |          |          | 2010-2011 <sup>c</sup> (COSOPs) |          |            |          |           | 2008-2009 <sup>c</sup> (COSOPs) |          |          |          |          |          |
|----------------------------------|------------------------------------|----------|----------|----------|----------|---------------------------------|----------|------------|----------|-----------|---------------------------------|----------|----------|----------|----------|----------|
|                                  | Kenya                              | Viet Nam | Rwanda   | Mali     | Yemen    | Ghana                           | Niger    | Mozambique | India    | Argentina | Ethiopia                        | Sudan    | Brazil   | Morocco  | Pakistan | Nigeria  |
| Relevance                        | 4                                  | 5        | 5        | 4        | 4        | 4                               | 4        | 5          | 5        | -         | 4                               | 4        | 3        | 5        | 4        | 4        |
| Effectiveness <sup>d</sup>       | 4                                  | 4        | 4        | 3        | 4        | 4                               | 4        | 4          | 5        | -         | -                               | -        | -        | -        | -        | -        |
| <b>Overall COSOP performance</b> | <b>4</b>                           | <b>5</b> | <b>5</b> | <b>4</b> | <b>4</b> | <b>4</b>                        | <b>4</b> | <b>5</b>   | <b>5</b> | <b>4</b>  | <b>4</b>                        | <b>4</b> | <b>4</b> | <b>4</b> | <b>3</b> | <b>4</b> |

<sup>a</sup> Ratings compiled from information available in CPEs.

<sup>b</sup> CPEs assessing RB-COSOPs.

<sup>c</sup> CPEs assessing COSOPs.

<sup>d</sup> The effectiveness criterion has been implemented since CPE 2009.

## Relevance

28. COSOP relevance assesses the appropriateness of the selected strategic objectives and directions, their alignment with key IFAD and government policies, the internal coherence of the lending and non-lending instruments deployed, and the appropriateness of management provisions to achieve country strategy objectives.
29. According to the 2010 ARRI, the main strategic objectives in COSOPs were broadly consistent with key country priorities, as well as with IFAD regional and corporate strategies for rural poverty reduction. They generally focused on appropriate geographical areas and social groups and on suitable subsector priorities and partner institutions. COSOPs identified appropriate strategic objectives for rural poverty, though there were some areas not addressed sufficiently systematically, such as engagement with the private sector, smallholder agriculture, indigenous peoples' issues and approaches towards scaling up.<sup>16</sup>

### Box 5

#### Viet Nam: Supporting government decentralization efforts

In Viet Nam, the CPE found geographical and social targeting improving progressively across the three COSOPs assessed (1996, 2003, 2008), finally settling on poor households and ethnic minorities living in upland areas. The COSOPs were also in tune with the country's overall needs and thrusts at the time. The second COSOP focused on decentralization and participation, and the third, in keeping with Viet Nam's rapid economic growth, focused on linking smallholders to markets and developing partnerships with the private sector. This also coincided with IFAD's adoption of a market-based approach to poverty reduction.

Source: Viet Nam, CPE, 2012, p. 72, paragraph 263.

<sup>16</sup> ARRI 2010, p. 55.

**Box 6****Ghana: Aligning policy objectives**

Ghana presents an example of a growing convergence over time between IFAD and government priorities, as well the hazards of deviating from IFAD's strategic policies. The objectives of 1998 COSOP were aligned with IFAD's mission to empower poor people – especially in northern Ghana where extreme poverty continued to be pervasive. However, they were at variance with government policy of that time, which sought to accelerate economic growth by modernizing the agriculture sector and strengthening private-sector involvement, without explicitly targeting specific geographical pockets of poverty. The overall objectives of COSOP 2006 were fully aligned with this government policy, but in the process IFAD moved out of area-based geographical targeting. Since 2008, however, the new Government has acknowledged the need for such targeting and is now addressing its regional poverty disparities by pursuing two initiatives focusing on the North, the area that IFAD had originally identified as most in need of assistance.

Source: Ghana, CPE, pp. 70-71, paragraphs 214-215.

30. Table 3 supports these observations. Overall, 93 per cent of CPEs rate COSOP relevance in the 'moderately satisfactory or better' range. There has also been a noticeable improvement when we compare RB-COSOPs and COSOPs. All RB-COSOPs have been rated 'moderately satisfactory or better'. On the other hand, only 90 per cent of COSOPs received this rating.
31. Nevertheless, the 2011 ARRI observed that nearly all CPEs point out that non-lending activities (NLAs) are not integrated into the overall country programme well enough to achieve COSOP objectives. It argues that the results of and learning from grants do not always reinforce IFAD-supported project activities, and partnerships are largely pursued opportunistically, rather than being led by strategic considerations.<sup>17</sup> NLAs will be discussed further in subsection C of this section.

**Box 7****Yemen and Cambodia: Convergence of priorities – national, IFAD and COSOPs**

In Yemen, IFAD's two latest projects, the Economic Opportunities Programme (EOP) and Fisheries Investment Project (FIP) are highly relevant to government priorities in that they: (i) address three key priorities identified by the Government in its latest five-year development plan;<sup>18</sup> (ii) are strongly aligned with the second strategic objective of the 2007 COSOP – "to promote sustainable rural financial services and pro-poor small and medium enterprises"; and (iii) are in line with IFAD's Strategic Framework, which emphasizes market-oriented development and engagement with the private sector.

Cambodia's RB-COSOP is aligned with: (i) the Royal Government's overall Rectangular Strategy for Growth, Employment, Equity and Efficiency; (ii) the National Strategic Development Plan; (iii) the Cambodia Millennium Development Goals; (iv) the Royal Government's Strategy for Agriculture and Water; and (v) the Strategic Framework for Deconcentration and Decentralization. In the RB-COSOP's results management framework, results are cross-referenced to targets of the National Strategic Development Plan and the Cambodia Millennium Development Goals.

Source: Yemen, CPE, 2012, p. 68; Cambodia, COSOP annual report, December 2011, p. 5.

<sup>17</sup> ARRI 2011, p. 46.

<sup>18</sup> The Development Plan for Poverty Reduction for the period 2006-2010 aims to: (i) create sustainable pro-poor investments aligned with the Government's poverty reduction and economic growth policies; (ii) introduce a private-sector-led approach to development operations; and (iii) establish a public/private partnership to effectively, efficiently and transparently manage development resources and create synergies (Yemen CPE, 2011, p. 68).

## Effectiveness

32. COSOP effectiveness determines the extent to which the strategic objectives were or are likely to be achieved.
33. Overall RB-COSOP effectiveness is rated well. Table 3 shows that 89 per cent of CPEs rate it as 'moderately satisfactory or better'. The data gaps in the table (this criterion was introduced only in 2009) preclude assessment of whether RB-COSOPs reflect an improvement over COSOPs.

### Box 8

#### Rwanda: Achieving results

In the case of Rwanda, the CPE found significant increases in crop and livestock production and concluded that the overall objective of the COSOP, namely, reducing poverty and improving the quality of life, is likely to be achieved. However, in the case of rural finance, it assessed the effectiveness of the COSOPs (2002 and 2007) as 'unsatisfactory'. Nonetheless, despite the lack of adequate up-to-date national data and differing definitions of what constitutes a 'vulnerable group', the CPE found that major achievements are being realized through a number of local and national initiatives that seek to address the needs of different vulnerable groups and have drawn upon the experiences of IFAD projects.

Source: Rwanda, CPE, 2012, pp. 74-75, paragraphs 283, 285, 288.

### Box 9

#### Kenya: Renewable natural resources vs. rural financial services

The Kenya CPE found that the COSOP accomplished significant achievements in maintaining and regenerating renewable natural resources. The Mount Kenya project is successful and IFAD and the Government are scaling up its key components. The CPE also notes that, while access to rural financial services has been considered a key objective, IFAD has not devoted enough attention to this subsector. Overall, though, the CPE rates COSOP effectiveness as 'moderately satisfactory'.

Source: Kenya, CPE, 2011, pp. 55-56, paragraphs 213, 215, 217.

34. With enhanced QA processes, direct supervision and implementation support, and an expanded country presence, it is expected that portfolio management will improve, thus leading to better implementation performance and effectiveness. For example, the 2009 annual review of the Cambodia COSOP found that – in trying to comply with every aspect of the COSOP – all projects were bedevilled by multiple objectives and results indicators that made implementation difficult, diverted the attention of implementing agencies from their core skills and competencies, and made coordination complicated, thus adversely affecting the effectiveness and efficiency of the responsible agencies.<sup>19</sup>
35. PMD is systematically devoting more attention to improving portfolio management by undertaking a methodical annual portfolio review process at divisional and departmental levels.

## Overall COSOP performance

36. COSOP performance is a composite of the ratings for relevance and effectiveness.
37. It can be observed from table 3 that there has been an improvement when we compare RB-COSOPs and COSOPs. All RB-COSOPs are rated 'moderately satisfactory or better', and two (40 per cent) are rated 'satisfactory', while 91 per cent of COSOPs are rated 'moderately satisfactory or better', and only 18 per cent are rated 'satisfactory'. Nevertheless, the fact that only two RB-COSOPs have

<sup>19</sup> Cambodia, COSOP annual report, September 2009, p. 24, paragraphs 55-57.

received a 'satisfactory' rating means that there is still substantial scope for improvement.

38. All CPEs underline that both country presence and IFAD's direct supervision and implementation support activities are critical components of IFAD's operating model and key determinants in ensuring the achievement of COSOP objectives.
39. Other findings by CPEs indicate: scope for improving synergies between different instruments (loans and grants, including other non-lending activities); weak project- and programme-level monitoring and evaluation (M&E); mixed effectiveness in the areas of rural finance and non-lending activities; and the need for more-focused programmes, rather than spreading relatively limited resources over a variety of subsectors and/or large geographical areas in recipient countries.

## B. Lending portfolio

### Portfolio performance

40. Table 4 summarizes the country portfolio performance of 16 CPEs reviewed against various assessment criteria, such as project performance, impact on rural poverty, sustainability, innovation and scaling up. Annex V includes an explanation of the evaluation criteria followed by IOE.

Table 4  
CPE ratings on portfolio performance<sup>a</sup>

|                               | 2011-2012 <sup>b</sup> (RB-COSOPs) |         |        |      |       | 2010-2011 <sup>c</sup> (COSOPs) |       |            |       |           | 2008-2009 <sup>c</sup> (COSOPs) |       |        |         |          |         |
|-------------------------------|------------------------------------|---------|--------|------|-------|---------------------------------|-------|------------|-------|-----------|---------------------------------|-------|--------|---------|----------|---------|
|                               | Kenya                              | Vietnam | Rwanda | Mali | Yemen | Ghana                           | Niger | Mozambique | India | Argentina | Ethiopia                        | Sudan | Brazil | Morocco | Pakistan | Nigeria |
| Evaluation criteria           |                                    |         |        |      |       |                                 |       |            |       |           |                                 |       |        |         |          |         |
| Project performance           | 4                                  | 5       | 5      | 4    | 4     | 4                               | 3     | 4          | 5     | 3         | 5                               | 4     | 4      | 5       | 4        | 4       |
| Relevance                     | 5                                  | 5       | 5      | 4    | 5     | 4                               | 4     | 5          | 5     | 4         | 5                               | 4     | 5      | 5       | 5        | 5       |
| Effectiveness                 | 4                                  | 4       | 5      | 4    | 4     | 4                               | 3     | 4          | 5     | 3         | 5                               | 4     | 4      | 5       | 4        | 4       |
| Efficiency                    | 3                                  | 5       | 5      | 3    | 3     | 3                               | 3     | 4          | 4     | 3         | 3 <sup>d</sup>                  | 3     | 4      | 5       | 4        | 4       |
| Rural poverty impact          | 5                                  | 5       | 5      | 4    | 4     | 4                               | 4     | 4          | 5     | 4         | 5                               | 4     | 5      | 5       | 4        | 4       |
| Sustainability                | 4                                  | 4       | 4      | 3    | 4     | 4                               | 3     | 3          | 4     | 4         | 4 <sup>d</sup>                  | 3     | 4      | 4       | 3        | 4       |
| Innovation and scaling up     | 4                                  | 5       | 4      | 4    | 4     | 4                               | 5     | 4          | 5     | 4         | 3                               | 4     | 4      | 4       | 4        | 5       |
| Overall portfolio performance | 4                                  | 5       | 5      | 4    | 4     | 4                               | 4     | 4          | 5     | 3         | 5                               | 4     | 4      | 4       | 4        | 4       |

<sup>a</sup> Ratings compiled from information available in CPEs.

<sup>b</sup> CPEs assessing RB-COSOPs.

<sup>c</sup> CPEs assessing COSOPs.

<sup>d</sup> Assessed by the author from available information, as the CPE did not give one composite rating.

41. Table 4 indicates that CPEs have noted an overall improvement in **project performance**<sup>20</sup> over the years. In the case of RB-COSOPs, 100 per cent of projects have been rated 'moderately satisfactory or better', whereas 82 per cent of projects in the years 2008-2011 have been similarly rated. For RB-COSOPs, the breakdown of projects rated 'moderately satisfactory or better' is as follows: 'relevance' (100

<sup>20</sup> ARRI 2011, p. 17, defines 'project performance' as a composite rating of relevance, effectiveness and efficiency.



per cent),<sup>21</sup> 'effectiveness' (100 per cent)<sup>22</sup> and 'efficiency' (40 per cent).<sup>23</sup> For COSOPs, the ratings are as follows: 'relevance' (100 per cent), 'effectiveness' (82 per cent) and 'efficiency' (55 per cent).

42. In terms of **overall portfolio performance**, which also includes an assessment of rural poverty impact, sustainability, innovation and scaling up, 100 per cent of RB-COSOPs are rated 'moderately satisfactory or better'; 91 per cent in the case of COSOPs. Nevertheless, there is significant room for improvement, as only 40 per cent of the RB-COSOPs' projects are rated 'satisfactory'. Eighteen per cent of COSOPs are similarly rated.
43. According to the 2011 ARRI, this improvement in performance is largely the result of IFAD's decision in December 2006 to undertake direct supervision of projects. There was greater technical support being provided to projects through grants and partnership with other development agencies, greater involvement of civil society and private-sector actors (in recent years), and an increased country presence of IFAD. However, it can be argued that the enhanced emphasis in RB-COSOPs on accountability – measureable results, annual review, periodic reporting of portfolio and COSOP performance – and enhanced ownership and engagement of partner country institutions has contributed to creating a culture of results-based management. It is still too early to assess whether the projects included in RB-COSOPs are implemented significantly better than earlier projects, because they are ongoing and have not yet been evaluated.

Box 10

**Yemen: An example of satisfactory and unsatisfactory project performance**

Yemen, the poorest country in the Middle East, which is water starved, has as much as 84 per cent of its population in rural areas and the largest gender gap in the world.<sup>24</sup> The 2011 CPE, which assessed 10 projects, found that they had a high degree of relevance (5) because of their: (a) close alignment with government policy, the COSOPs and the identified needs of poor rural people; and (b) overall sound project design, including (in the later projects) full consultation and ownership of the process with communities. They were also consistent with IFAD's regional (NEN) strategy for the decade (2000-2009). The effectiveness of the portfolio was rated 'moderately satisfactory' (4) because projects have had positive results in strengthening community organizations, facilitating access to social services, enhancing agricultural productivity and promoting gender equality. The efficiency of the portfolio was rated 'moderately unsatisfactory' (3) because the cost per beneficiary in IFAD community development projects was lower than in government projects, while unit costs were slightly higher in IFAD infrastructure projects; substantial losses were incurred in credit-related operations and due to approval and implementation delays, which led to low disbursement of national counterpart funds.

Source: Yemen, CPE, 2012, pp. 29-30, 34, 38, 42, 45.

## **Impact on rural poverty**

44. As indicated in table 3, there has been an improvement in impact on poverty in rural areas over the years.<sup>25</sup> While 100 per cent of country portfolios in both

<sup>21</sup> Ibid., 13, defines 'relevance' with respect to: (i) project objectives; (ii) the needs of poor rural people; (iii) IFAD's corporate policies and strategies; (iv) government agriculture and rural development policies; (v) project design, design logic and strategy adopted; (vi) appropriateness of financial allocations by project component; (vii) institutional partners selected; (viii) project management arrangements; and (ix) geographic and target group coverage.

<sup>22</sup> Ibid., 14, defines 'effectiveness' in terms of the extent to which the development intervention's objectives were achieved or are expected to be achieved.

<sup>23</sup> Ibid., p.16, defines 'efficiency' as a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results at different levels, including outputs and impacts.

<sup>24</sup> Only one in nine rural women can read and write (CPE, 2011, p. 18).

<sup>25</sup> ARRI 2011, p. 18, defines 'impact' as the changes that have occurred or are expected to occur in the lives of poor rural people as a result of development interventions.

RB-COSOPs and COSOPs have been rated 'moderately satisfactory or better', 60 per cent of the former and only 36 per cent of the latter have been rated 'satisfactory', thus leaving considerable room for improvement.

Box 11

**Poverty reduction in Viet Nam**

In Viet Nam, the Agricultural Resources Conservation and Development Project in Quang Binh helped decrease the proportion of poor households from 36 to 21 per cent in the six years of project implementation. In Ha Tinh Province where the Ha Tinh Rural Development Project was implemented, the poverty rate decreased from 52 to 18 per cent from 1999 to 2004. A remarkable success of the Improving Market Participation Programme in Ha Tinh and Tra Vinh Provinces is that 60-80 per cent of its graduates secured employment within six months of receiving vocational training.

Source: Viet Nam, CPE, 2012, pp. 45-47.

Box 12

**Roads and improved agricultural practices increase incomes and food security**

In Rwanda, the construction and rehabilitation of feeder roads under the Umutara Community Resource and Infrastructure Development Project has provided access to markets, opened up new areas of cultivation and services, and significantly reduced transport costs by as much as 60 per cent. This has resulted in increased earnings and increased productivity.<sup>26</sup> Similarly, the Smallholder Cash and Export Crops Development Project has contributed to increasing the proportion of households having two meals a day from 59 to 74 per cent, and from 5 to 11 per cent for those having three meals. The Support Project for the Strategic Plan for the Transformation of Agriculture has nearly doubled the productivity of cassava and sweet potatoes, both of which are major staple foods.

Source: Rwanda, CPE, 2012, pp. 45-46.

## **Sustainability**

45. The sustainability<sup>27</sup> rating of projects has also been improving over time – in fact, quite noticeably. In table 3, 80 per cent of RB-COSOPs are rated 'moderately satisfactory or better', as compared with only 64 per cent in the case of COSOPs. However, in neither instance was any project rated 'satisfactory', which means that more attention must be paid to the sustainability of benefits.
46. This positive trend is aligned with past ARRI analysis. Of the country programmes evaluated by IOE in 2002-2004, only 41 per cent received satisfactory-zone ratings for sustainability, while from 2008 to 2010, 67 per cent of the country programmes evaluated received satisfactory-zone ratings. However, during this period (2008-2010), almost half of the country programmes evaluated were rated only 'moderately satisfactory', indicating room for further improvement in this area.<sup>28</sup>
47. Several factors contribute to sustainability: (i) project objectives are realistic and tailored to the project context; (ii) exit strategies are part of project design; (iii) systematic efforts have been made to build ownership and institutional capacity; (iv) objectives are aligned with government policies and programmes; (v) community ownership and contributions have been mandatory; (vi) long-term institutional, technical and financial support have been created for the project and grass-roots organizations have been provided for; (vii) alignment of and links between project-created organizations have been established; (viii) appropriate technology has been adopted, and effective operations and maintenance

<sup>26</sup> Rwanda, CPE, 2012, p. 41.

<sup>27</sup> ARRI 2011, p. 25, defines 'sustainability' as a measure of the likely continuation of net benefits from a development intervention beyond the phase of external funding support.

<sup>28</sup> Ibid., 26.

arrangements made; (ix) access to markets, financial and other resources has been adequately established; and (x) an enabling institutional and policy framework exists.

Box 13

**Sustainability depends on community empowerment and ownership**

In Indonesia, operation and maintenance of community infrastructure remains an issue in all IFAD-funded projects. In the case of the Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas, institutional arrangements were still being made to set up maintenance funds even though the project had closed. The Rural Empowerment and Agricultural Development Programme in Central Sulawesi does not have a satisfactory arrangement for operation and maintenance. Wherever good arrangements for maintenance exist, this has been due to a high degree of awareness and social empowerment of beneficiaries (facilitated by non-governmental organizations [NGOs]), who have acquired ownership of such activities. Where state extension officers have undertaken social mobilization, inadequate attention has been paid to operation and maintenance and thus arrangements have been weak.

*Source: Indonesia, draft CPE, 2012, p. 40, paragraph 135.*

48. Judging from recent RB-COSOPs and project documents, it is clear that these lessons are being applied. Indicators to track progress in some of these areas<sup>29</sup> are included in the results management frameworks of RB-COSOPs and project logframes, and are being periodically monitored. Increasingly, programme management units (PMUs) are embedded within viable institutions;<sup>30</sup> projects are aligning with local, regional or central government agencies to secure additional or continued funding after project closure; emphasis is being given to promoting and building up viable and self-supporting grass-roots organizations; scaling up through donor or government support is increasingly being pursued; and the private sector's involvement in agricultural and livelihood development is now on the agenda.

Box 14

**Inadequately skilled staff and frequent turnover jeopardize project sustainability**

Most projects in Indonesia experience delays in mobilizing full-time staff because a labour shortage prevails in most IFAD ongoing project areas. For example, in the Smallholder Livelihood Development Project in Eastern Indonesia, a majority of the staff recruited from the district agriculture departments for key positions in the district PMUs devote 60 per cent of their official time to the project and the remaining 40 per cent to district work. Moreover, certain critical skills are not readily available at the subnational level, such as M&E and procurement. A related problem is frequent turnover of staff of the PMUs and thus lack of continuity, especially after staff members have been trained.

*Source: Indonesia, CPE, 2012, p. 38, paragraph 131.*

49. However, a word of caution is needed. Sustainability is not only an outcome of what and how a project is designed and implemented, but also of macroeconomic, socio-economic and political factors, all of which are beyond the control of an IFAD country programme.

<sup>29</sup> Such as water, food and entitlements security, employment and market access, productivity gains, institutional and policy enablements, etc.

<sup>30</sup> Mostly governmental and quasi-governmental, but also, where necessary, non-governmental or private agencies.

Box 15

**The KAMUMWE Water Project: 'Doing it right' for sustainability**

KAMUMWE is part of the Central Kenya Dry Area Smallholder and Community Services Development Project. It is an umbrella organization of three water users' groups that ensures the common management of a main water intake and tank. Women play a substantial role in these groups.

Civil works started in 2004 and were completed in 2006; the system was fully operational after two years. The communities mobilized funds and labour extraordinarily quickly – they raised about 4 million Kenya shillings, constructed the main tank within one year, completed 4.2 km of trenching in nine days, and laid pipe in 11 days. Today, the group is able to cover all operational and maintenance costs by adopting a meter system. However, they still need support in accounts maintenance and in the calculation of water tariffs, which are based on all costs, including depreciation.

*Source: Kenya, CPE, 2011, p. 34.*

**Innovations and scaling up<sup>31</sup>**

50. Promoting pro-poor innovations in agriculture and rural development has been described as 'mission critical' for IFAD, not only to increase efficiency, but also to ensure a wider impact on rural poverty.<sup>32</sup> In table 3, 100 per cent of projects in RB-COSOPs and 91 per cent in COSOPs are rated 'moderately satisfactory or better', whereas only 20 per cent of the former as compared with 27 per cent of the latter have been rated 'satisfactory', thus leaving considerable scope for improvement.
51. Nevertheless, as the 2011 ARRI observed, overall, country programmes have been paying greater attention to innovation and scaling up; satisfactory-zone ratings have improved from 57 per cent of country programmes in 2002-2004 to 90 per cent in 2008-2010, while also underlining that some 50 per cent of the country programmes evaluated in 2008-2010 were only rated 'moderately satisfactory' for innovation and scaling up.<sup>33</sup>

Box 16

**Brazil and Kenya: Innovations going to scale**

In Brazil, the bottom-up approach – including a demand-led system to select investments and the low-cost, easy-to-absorb technologies developed by IFAD projects – are now recognized as 'standards' and are being mainstreamed in development programmes of the federal Government and state governments in the north-east, as well as in public discourse and policy. In particular, the Sustainable Development Project for Agrarian Reform Settlements in the Semi-Arid North-East (Dom Hélder Câmara Project) (PDHC) has made a major outreach effort and has become both a reference for and example to other projects and interventions in the north-east. In fact, the PDHC served as a reference in the design of territorial development policies by the Ministry of Agrarian Development in 2003.

Similarly, in Kenya, the pioneering efforts by the Mount Kenya East Pilot Project for Natural Resource Management in river basin management and community involvement in promoting tree cover are other examples of innovations, key aspects of which are likely to be promoted by the Government in the eastern region of the country.

*Source: Brazil, COSOP annual report, 2010, p. 6, subparagraph (f); Kenya, CPE, 2011, p. 65.*

<sup>31</sup> ARRI 2011, p. 28, defines 'innovation and scaling up' in terms of: (i) the extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) scaled up by development agencies across sectors.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

52. IFAD has made innovation and scaling up an important 'principle of engagement'<sup>34</sup> and all RB-COSOPs are required to articulate more explicitly how scaling up will be pursued. The recently published guidelines on innovation offer a broad definition of what constitutes 'innovations',<sup>35</sup> and the Brookings study<sup>36</sup> helps identify 'drivers', 'spaces' and 'pathways' that should make the task of scoping, identifying, developing and scaling up innovations easier and more realistic in terms of what is achievable. The recently completed RB-COSOP of Viet Nam has outlined a very ambitious agenda in its appendix VI, 'Scaling-up Strategy of Innovation', that: addresses the three strategic objectives; includes 11 activities; articulates the desired scale (vision); indicates the drivers (who owns and will drive the process); identifies spaces for scaling up (financial, institutional, policy, political, etc.); and indicates the result pathways (the intermediate results and milestones).<sup>37</sup>
53. However, only about 50 per cent of projects evaluated in 2008-2010 have been rated 'moderately satisfactory' for innovation and scaling up. Moreover, some CPEs noted a lack of a systematic or strategic approach to scaling up. Where successful, it has largely been due to the individual efforts of the CPMs and country teams. Moreover, significantly more attention has been paid to innovation than to scaling up, both in project design and implementation. Scaling up is unlikely to happen without an explicit objective with a clear strategy and committed resources. The 2011 Kenya CPE noted that while the 2007 RB-COSOP did have a useful section on innovation, it did not include priorities or expected results; nor were specific measures planned or resources allocated for promoting innovations or to ensure the scaling up of successful innovations.<sup>38</sup>
54. During the learning workshop, a comment was made that innovations and scaling up require quite different approaches. Innovation entails taking risks, to be borne by the borrowing government; but scaling up requires proven technology across different contexts, an effective institutional mechanism and strong political and administrative will that can harmonize often conflicting interests. Thus consideration should be given to not lumping these two dimensions together.
55. It has also been observed that the nature of the innovations being promoted has changed over time. Greater emphasis is being given to piloting innovations in institutional arrangements for project implementation, social mobilization and promotion of people's participation, and much less to technologies that support smallholder agriculture. This bias will have to be corrected, given the need to increase agricultural viability to meet the income needs of poor people and of overall food security in the context of an eroding asset and resource base.
56. At the same time, it should also be noted that the scaling up of successful innovations also depends crucially on documentation, dissemination of best practices and knowledge acquired, strategic partnerships, engagement with policymakers and the commitment of the recipient government.

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<sup>34</sup> IFAD *Strategic Framework 2011-2015*, p. 41.

<sup>35</sup> 'Innovations' cover a wide range: (i) technical innovations, such as in seed, growing techniques, etc.; (ii) process innovations, such as in mobilizing communities or pedagogical techniques for teaching farmers; (iii) delivery techniques, as in getting information to or enabling access to marginalized communities; (iv) institutions, as in creating alternatives to missing markets in input supply, marketing, delivery and sale of outputs, and access to technology; and (v) policies, as in assuring appropriate legal and regulatory frameworks for land ownership and use, for natural resource management, financial intermediation, etc. (IFAD, *Updated Guidelines and Source Book for Preparation and Implementation of a Results-Based Country Strategic Opportunities Programme (RB-COSOP)*, 2011, p.123).

<sup>36</sup> Brookings Institution, *Scaling Up the Fight Against Rural Poverty: An Institutional Review of IFAD's Approach*, Working Paper 43, October 2010.

<sup>37</sup> Viet Nam, RB-COSOP, 2012, appendix VI, pp. 41-45.

<sup>38</sup> Kenya, CPE, 2011, p. 39.

**Kenya: A successful intersectoral innovation going to scale**

In the Programme for Outreach of Financial Innovations and Technologies (PROFIT), an innovative partnership between public, civil society and private sectors has been forged. A tripartite agreement has been entered into between IFAD, the Government, an NGO (Alliance for a Green Revolution in Africa) and a private financial agency (Equity Bank). IFAD is contributing towards establishing a public-/private-sector partnership guarantee fund credit of US\$2.5 million under the Kilimo Biashara Innovative Financing Instruments. It has attracted the attention of the World Bank, which has recently decided to scale up the operations of the recent rural finance project by providing additional resources to the credit guarantee scheme.

*Source: Kenya, CPE, 2011, p. 38, paragraph 143; Kenya, MTR of 2007 COSOP, p. 16.*

## **C. Non-lending activities**

57. Non-lending activities such as knowledge management, policy dialogue and partnership development are meant to be integral elements of IFAD country programmes. They are complementary to loan-funded projects and are expected to contribute to achieving the overall strategic objectives defined in a COSOP. NLAs are important as they allow IFAD to learn from past activities, help identify and nurture strategic partnerships with other development actors, and enter into a dialogue with governments and key stakeholders to bring about key policy and institutional reforms pertaining to agriculture and rural development.
58. COSOPs first addressed partnerships, followed by policy dialogue, with little or no reference to knowledge management. RB-COSOPs, on the other hand, first addressed policy dialogue, reflecting its importance as a means for achieving wider impact, followed by partnerships and then knowledge management. Since knowledge management is an essential instrument in transferring IFAD's experience from project to country level, and is a precondition for effective policy dialogue and partnership-building, consideration could be given to presenting NLAs in the right sequence – i.e. placing knowledge management first.
59. A cross-cutting issue raised several times by CPEs relates to the lack of human and budgetary allocations associated with NLAs. All these activities require resources, and with few exceptions RB-COSOPs do not clarify where these resources will come from. The exceptions are generally the result of the availability of country- or regional-level grants; however, these have their own time frame and objectives, sometimes disconnected with those of RB-COSOPs. It is also not clear whether meeting objectives related to NLAs is actually part of IFAD staff's performance evaluation system.
60. Table 5 below summarizes the performance ratings of NLAs of 16 country programmes in terms of policy dialogue, knowledge management and partnership-building, as well as overall performance.



Table 5  
CPE ratings on performance of non-lending activities

| Evaluation criteria     | 2011-2012 <sup>a</sup> (RB-COSOPs) |          |        |      |       | 2010-2011 <sup>b</sup> (COSOPs) |       |            |       |           | 2008-2009 <sup>b</sup> (COSOPs) |       |        |         |          |         |
|-------------------------|------------------------------------|----------|--------|------|-------|---------------------------------|-------|------------|-------|-----------|---------------------------------|-------|--------|---------|----------|---------|
|                         | Kenya                              | Viet Nam | Rwanda | Mali | Yemen | Ghana                           | Niger | Mozambique | India | Argentina | Ethiopia                        | Sudan | Brazil | Morocco | Pakistan | Nigeria |
| Knowledge management    | 5                                  | 4        | 4      | 4    | 4     | 3                               | 4     | 3          | 4     | 5         | 5                               | 3     | 3      | -       | 3        | 3       |
| Policy dialogue         | 3                                  | 4        | 3      | 3    | 4     | 4                               | 4     | 4          | 4     | 6         | 5                               | 3     | 2      | 4       | 2        | 4       |
| Partnership-building    | 4                                  | 4        | 4      | 5    | 4     | 4                               | 5     | 4          | 3     | 4         | 4                               | 3     | 3      | 3       | 4        | 4       |
| Overall NLA performance | 4                                  | 4        | 4      | 4    | 4     | 4                               | 4     | 4          | 4     | 5         | 4                               | 3     | 3      | -       | 3        | 4       |

<sup>a</sup> CPEs assessing RB-COSOPs.

<sup>b</sup> CPEs assessing COSOPs.

### Knowledge management<sup>39</sup>

61. Table 5 indicates that knowledge management is showing an improving trend. Of RB-COSOPs, 100 per cent are rated 'moderately satisfactory or better' as compared with only 40 per cent in the case of COSOPs; however, only one RB-COSOP received a 'satisfactory' rating, thus leaving much room for improvement.
62. As mentioned above, knowledge management is key to ensuring scaling up and achieving wider impact on rural poverty, because it is a precondition for conducting effective, evidence-based policy dialogue and provides an important foundation for partnership-building. Partner countries have repeatedly underscored IFAD's unique knowledge and competence in community-based poverty reduction in rural areas. Middle-income countries, especially, have been increasingly seeking to learn from IFAD's experiences in similar countries and regions.

Box 18

#### Purposeful knowledge: Fostering enabling relationships for development in Brazil

Various steps have been identified for technology and information dissemination, focused on the productive potential of the north-east. They involve partnerships and exchanges with institutions in public, civil society, private and academic spaces, as well as the target group (farmers, rural youth, women's groups, etc.). The steps include establishing discussion and knowledge-sharing networks, and developing effective and efficient M&E systems. Of the five grants approved during the 2008 COSOP period, four are directly related to knowledge and technology dissemination, which indicates the high importance IFAD places on knowledge management.

Source: Brazil, RB-COSOP, pp. 13-14, paragraphs 58-60; Brazil, COSOP annual report, 2010, p. iii.

63. A number of CPEs have found that – despite numerous examples of successful innovations, demonstrated poverty reduction and extensive exposure to innovations in projects financed by other development partners – IFAD does not have a commensurate suite of knowledge products for dissemination, training and

<sup>39</sup> ARRI 2011, p. 41: 'knowledge management' is defined as "a measure of the extent to which knowledge from the IFAD-supported country programme (and from the agricultural and rural development programmes of other development partners) has been systematically and appropriately documented, packaged and shared with key partners in the country concerned and beyond." Generally, in RB-COSOPs, knowledge management is addressed after policy dialogue and partnership-building, except in the recent Viet Nam RB-COSOP, where knowledge management is placed between policy dialogue and partnership-building. This report takes the view that knowledge management constitutes the foundation for effective policy dialogue and partnership-building.

capacity-building, and evidence-based policy advocacy. This is largely because IFAD does not allocate sufficient funds for this purpose, and the capacity of the project staff of IFAD country offices (ICOs) to document and disseminate experiences and lessons is still weak. Recent budgetary constraints are jeopardizing IFAD's achievements in this regard, with knowledge management personnel in some regions being reassigned and the post eliminated.<sup>40</sup>

64. Realizing the importance of knowledge management, in the last few years IFAD has undertaken several initiatives: promoting electronic networks for operational and thematic knowledge exchange at the corporate level (the Poverty Portal) and regional levels;<sup>41</sup> capacity-building of project and country office staff in knowledge management practices, approaches and tools; organizing knowledge events and fairs with other partner organizations; emphasizing a more rigorous annual portfolio review; recently establishing an Office of Strategy and Knowledge Management (SKM);<sup>42</sup> and mandatorily including knowledge management personnel as part of country programme management teams. These steps will further accelerate the process of knowledge capture, sharing and learning.

### **Policy dialogue<sup>43</sup>**

65. Table 5 indicates that only 40 per cent of RB-COSOPs were rated 'moderately satisfactory or better' in policy dialogue as compared with 73 per cent in the case of COSOPs; none of the RB-COSOPs received a 'satisfactory' rating, whereas one COSOP received a 'satisfactory' rating and one, Argentina, received a 'highly satisfactory' rating.
66. In any case, this trend is in line with the recent ARRI analysis showing that policy dialogue continues to be a challenge for IFAD. A recent issues paper<sup>44</sup> identified some of the constraints on more-effective policy dialogue:
  - (i) IFAD's still-relatively-limited country presence (although increasing gradually);
  - (ii) Limited number of outposted CPMs;
  - (iii) ICO staff not able to engage with policymakers and/or lack the necessary delegation of authority to speak on behalf of IFAD;
  - (iv) Heavy workload of CPMs and ICOs, which are primarily tasked with direct supervision and implementation support;
  - (v) Overly ambitious agenda for policy dialogue included in many COSOPs and RB-COSOPs; and
  - (vi) Unresolved common understanding of what constitutes policy dialogue for IFAD.

<sup>40</sup> ESA and APR have eliminated knowledge management positions and WCA has reduced them to half time.

<sup>41</sup> ENRAP in Asia and the Pacific, FIDAMERICA in Latin America and the Caribbean, FIDAFRIQUE in West and Central Africa, IFADAfrica in East and Southern Africa and KARIANET in the Near East and North Africa and in South Asia.

<sup>42</sup> ARRI 2011, p. 41.

<sup>43</sup> 'Policy dialogue' is defined as the extent to which IFAD and government have collaborated on policy processes and contributed to pro-poor policy development in the agriculture and rural sectors (ibid., 40).

<sup>44</sup> The 2012 Learning Theme – Policy Dialogue, in: 2012 ARRI, pp. 33-38.

In Rwanda, IFAD was not able to contribute to the formulation of a policy framework for rural finance, even though this was included in the COSOP; worse still, it was not able to react when the Government decreed the establishment of one savings and credit cooperative per administrative unit (*umurenge*). This led to the collapse of village-based savings and loan associations, which had been piloted through an IFAD-funded grant and which IFAD had hoped to scale up.

Similarly – while the 2007 COSOP had committed itself to supporting development of consultative mechanisms to bring government, private and civil society stakeholders together for policy definition and to build up the advocacy capacity of civil society stakeholders – an innovative and much felt need at the time – IFAD was not able to do so, because no specific non-portfolio resources had been allocated for this purpose.

Source: Rwanda, CPE, 2012, p. 61, paragraph 224.

67. Since IFAD has been increasingly seeking to play a proactive role in national and global policymaking forums, it can leverage its comparative advantage – widely recognized by partner countries – in community-based, smallholder poverty reduction interventions often located in backward and remote areas. By staying focused on project-validated, evidence-based policy dialogue, IFAD can contribute to the framing of national policy by selectively participating in policy forums and partnering with agencies engaged in the national policy dialogue process. Moreover, it can continuously strengthen the capacity of national actors, especially those involved in the implementation of IFAD-supported projects, such as local government agencies, NGOs, farmers' organizations and grass-roots institutions. These matters, among others, will be covered in the forthcoming corporate-level evaluation on policy dialogue in 2013.

### Partnership-building<sup>45</sup>

68. It can be observed from table 5 that the trend in partnership-building shows improvement. Of RB-COSOPs, 100 per cent are rated 'moderately satisfactory or better', as compared with 64 per cent in the case of COSOPs.
69. On the whole, IFAD has been rather successful with regard to building partnerships with **governments, NGOs and civil society**. Governments generally appreciate IFAD's work and its focus on smallholder agriculture in rural areas. In Viet Nam, through linking the provincial PMU to the provincial people's committees, IFAD has forged partnerships with institutions crucial to ensuring effective project and programme implementation. However, in countries with a federal system of governance (e.g. Argentina, Brazil and India), partnership has tended to focus on state-level authorities for project design and implementation, and less so on federal agencies involved in agriculture and rural development, which, in fact, are responsible for national policy formulation, monitoring, coordination and national reporting systems.<sup>46</sup>
70. Partnerships with **multilateral/bilateral development organizations** and donor agencies have been more limited for a variety of reasons – largely due to limitations in human, technical and financial resources, and government and development agencies' priorities. In Viet Nam, for instance, even though the World Bank and ADB support nationwide programmes that complement some IFAD-funded activities, the Government has rejected proposals for cofinancing of each other's programmes on the grounds that it does not see any added value.<sup>47</sup> In

<sup>45</sup> This is a measure of the strength of IFAD's partnership with government agencies, development organizations (including donors, NGOs and civil society organizations) and the private sector (ARRI 2011, p. 42).

<sup>46</sup> ARRI 2010, p. 51.

<sup>47</sup> Viet Nam, CPE, 2012, p. 66, paragraph 235.

Ethiopia, cofinancing partnerships have declined in importance as several major development partners have adopted the budget-support modality (aid given directly to developing country government budgets). Moreover, some of IFAD's traditional partners, such as AfDB and the World Bank, did not prioritize small, grass-roots agricultural and rural development interventions – IFAD's thrust areas during the period 1997-2007.<sup>48</sup>

71. In spite of this, opportunities for partnership with multilateral development banks (MDBs) must be explored further, especially in light of IFAD's objective of scaling up impact, as well as to increase synergies between IFAD operations and the activities of MDBs. For instance, the joint evaluation by IFAD with AfDB on agriculture in Africa (2009) noted that IFAD and AfDB are natural partners and must work more closely together in Africa. In particular, the evaluation recommended that IFAD should continue its focus on small agricultural activities, with the bank supporting development of the infrastructure essential to rural poverty reduction in general.
72. Partnership with the **private sector** has received a strong impetus from the private-sector development policies of 2005 and 2011. Since then there have been some notable successes, such as the significant contributions made by the Tata Trusts to IFAD projects in Maharashtra and Rajasthan.<sup>49</sup> However, much work is still to be done, as noted in a recent ARRI, which found that: (i) not much has been done to facilitate implementation of the strategy; (ii) adequate attention has not been given to the risks faced by poor people who cannot take advantage of the opportunities the private sector offers; and (iii) the definition of 'private sector' is too broad.<sup>50</sup>

Box 20

**Private-sector engagement and new modalities of financing projects**

In Yemen, two more-recent projects of IFAD – the Economic Opportunities Programme and the Fisheries Investment Project – have adopted a strong private-sector approach to implementation, focusing on: upgrading value chains; public/private partnership for programme management; and new investment partnership modalities such as equity participation and venture capital financing.

Source: Yemen, CPE, p. 52, paragraph 246.

73. As in the case of policy dialogue, RB-COSOPs must: be realistic about what can be achieved at the country level, define areas where IFAD's contribution would be particularly relevant, and prioritize the events and platforms it should participate in, as well as the institutions with which it would like to build relationships.

<sup>48</sup> Ethiopia, CPE, p. xxiii, paragraph 48.

<sup>49</sup> ARRI 2010, p. 52.

<sup>50</sup> ARRI 2011, p. 49.

### Key points

- The sample of completed CPEs covering the most recent RB-COSOPs is too small to draw statistically significant conclusions and to infer causality.
- **COSOPs and RB-COSOPs.** There has been a noticeable improvement in the 'relevance' criterion in RB-COSOPs compared with COSOPs. On the other hand, the 'effectiveness' criterion was introduced only in 2009; this precludes assessment of whether RB-COSOPs reflect an improvement over COSOPs.
- **Lending portfolio.** According to ARRI reports, the overall improvement of portfolio performance is largely the result of: IFAD's decision to undertake direct supervision; greater provision of technical support to projects; greater involvement of civil-society and private-sector actors (in recent years); and IFAD's increased country presence. Having said that, it can be argued that the enhanced emphasis in RB-COSOPs on accountability, enhanced ownership and engagement of partner country institutions has contributed to creating a culture of results-based management.
- **Non-lending activities.** According to CPEs, ratings of performance in knowledge management and partnership-building have shown improvement in RB-COSOPs, whereas policy dialogue is still a challenge for IFAD.
- A cross-cutting issue raised several times by CPEs relates to the lack of human resources and budgetary allocations associated with NLAs.

## VI. RB-COSOPs: selected issues

74. The synthesis report interviewed a number of IFAD managers, CPMs and Executive Board members. It also reviewed selected verbatim records from IFAD Board sessions. The following are a selection of issues raised with regard to RB-COSOPs.

### A. Ownership and formulation

75. Though perceptions vary, in general the importance and utility of the RB-COSOP as a strategic document that helps guide IFAD's country engagement in line with national priorities is widely acknowledged within IFAD. The RB-COSOP also promotes mutual accountability, since IFAD and the partner country develop it jointly. Its implementation and effectiveness depend not only on IFAD, but particularly on the commitment of the partner government, which in turn is directly linked to a sense of ownership.<sup>51</sup> IFAD has developed specific processes to foster enhanced ownership of the RB-COSOP, such as organization of the RB-COSOP design workshop, establishment of the Country Programme Management Team, regular consultations with relevant stakeholders and partner organizations, in-country RB-COSOP validation workshops and annual COSOP review workshops. All these activities are meant to take place in-country and to involve counterpart agencies and key stakeholders.
76. Yet, IOE has frequently observed that strategic objectives are overambitious and unrealistic. Given the series of consultative steps the COSOP formulation process entails, the question arises of whether this is the result of lack of guidance from government, lack of interest on its part, or – which could likely be the case – the unintended outcome of the internal review process, which influences CPMs and country programme management teams to overreach in order to obtain approval and meet the perceived expectations of IFAD Management and the Board.
77. **Since the revised guidelines for RB-COSOP formulation were implemented, CPEs have noted a marked improvement in the sense of ownership demonstrated by partner governments.** In Brazil, for instance, extensive consultations with the Government and all key stakeholders were conducted, followed by a stakeholders' workshop in which farmers' organizations, experts, research institutes, universities and government agencies participated. All the

<sup>51</sup> One Executive Board Director said: "The main thing I want to know is how much the Government is behind the RB-COSOP and how many resources it is ready to commit to the achievement of its objectives."

working papers were written in the local language and relevant documents were translated, thus creating a sense of inclusion and increased ownership.

78. Similarly, in order to oversee implementation of the 2007 RB-COSOP of Yemen and to improve project performance, the Prime Minister appointed a committee comprised of government staff from related departments, a representative IFAD project director, a senior staff member from the Central Bank of Yemen and the IFAD CPM. A major decision taken by this committee to streamline loan disbursements (which had led to serious delays in project implementation and quality) was to reduce the number of signatories for withdrawal applications, thereby speeding up loan disbursement and project implementation.<sup>52</sup>

## **B. Timing, costs and delivery budget**

79. The time needed to process an RB-COSOP ranges from 13 to 16 months (with Rwanda as an outlier at 35 months). The revised guidelines provide a detailed step-by-step guide from inception to submission to IFAD's Executive Board. While such guidance is appreciated, there are serious concerns about the burdensome nature of the process and the unintended outcome of provoking a compliance culture. This issue is dealt with in more detail in subsection D.
80. Regarding a basic time frame, RB-COSOPs are generally formulated over a five-year cycle,<sup>53</sup> whereas the PBAS has a three-year cycle. Ideally RB-COSOPs should have a definite allocation of resources in order to ensure that intended results can be achieved. Unfortunately, a problem exists in that even if RB-COSOPs were extended to six years – in order to cover two PBAS cycles – the lack of synchronization and the uncertainty over future PBAS allocations would remain.
81. Moreover, while RB-COSOPs are supposed to align their objectives with national development plans, they are not formulated in conjunction with them. It is expected that a CPE should precede RB-COSOP formulation, at least in those countries in which IFAD has a sizeable country programme. To date, only 11 CPEs have preceded RB-COSOPs<sup>54</sup> (24 per cent of the total number of RB-COSOPs approved since 2006), providing valuable inputs to the subsequent formulation of RB-COSOPs. This is due to the limited capacity and resources of IOE to conduct CPEs in all countries. The coverage differs substantially from region to region, ranging from 11 per cent of RB-COSOPs in LAC to 36 per cent in APR, which is partly explained by the larger country portfolios supported by IFAD in APR.
82. While it may not be possible to align the RB-COSOP and PBAS cycles – or even to undertake a CPE prior to RB-COSOP formulation due to institutional constraints – there is a case for aligning RB-COSOP formulation with the preparation of national development plans. This would enable IFAD to provide key inputs to the government and also help establish useful relationships that could facilitate the implementation of IFAD country programmes. In this regard, the experience of IDB can be taken as a reference.
83. Several IFAD staff reported some uncertainties regarding when an RB-COSOP should be undertaken. According to the 2011 guidelines, RB-COSOPs should be prepared for all countries except those with a 'minimal' PBAS allocation, or countries having less than three projects (ongoing and planned).<sup>55</sup> These guidelines stipulate that a COSOP must be done when IFAD is participating in a sector-wide approach (SWAp) or other joint approaches with other donors, as in the Comprehensive Africa Agriculture Development Programme (CAADP).<sup>56</sup> However, RB-COSOPs have been processed in the case of countries with only two operations

<sup>52</sup> Yemen, CPE, p. 59, paragraph 276.

<sup>53</sup> The exception being 'fragile states', where a short-term 'transitional COSOP' is accepted.

<sup>54</sup> Rwanda, Mali, Brazil, Ethiopia, Morocco, Pakistan, Sudan, Nigeria, India, Mozambique and Viet Nam.

<sup>55</sup> IFAD, *Updated Guidelines and Source Book for Preparation and Implementation of a Results-Based Country Strategic Opportunities Programme (RB-COSOP)*, 2011, p. 11, paragraph 39.

<sup>56</sup> *Ibid.*, 9, paragraph 32.



in the pipeline, but with a significant PBAS allocation (i.e. US\$20 million and above).<sup>57</sup>

84. Recent instructions issued by PMD eliminated the area of discretion: "For countries in which at most one new operation is planned in the 9<sup>th</sup> Replenishment period, no new RB-COSOP will be required."<sup>58</sup> In view of the capping of total number of projects, and the consequent increase in the average lending size in order to achieve administrative and financial efficiency gains in IFAD, if it is maintained that single project countries do not require a COSOP whatever the size of lending, then the number of countries requiring COSOPs will be substantially reduced. This decision merits reconsideration, as it might still be worth having a COSOP in countries with only one operation over a PBAS cycle. The COSOP is not only intended as a vehicle for project investments, but as an instrument that provides the broader framework for all IFAD activities in a given country.
85. The funding allocated for the formulation of an RB-COSOP ranges, on average, from US\$25,000 to US\$60,000. It could be argued whether this allocation reflects a real commitment by IFAD on country strategies. Given the quantity and quality of analysis expected, this amount is considered far from adequate. Despite the guidelines repeatedly stressing that primary research is not required, the experience is that RB-COSOPs often end up with a set of background studies. As a result of recent budgetary cuts, some regional divisions (ESA and WCA, for instance) are limiting the number of RB-COSOPs they would otherwise have processed.<sup>59</sup> There is a clear mismatch between COSOP-related expectations and available resources that must be addressed.
86. As a final remark, RB-COSOPs do not provide an indication of the budget required for their delivery and the attainment of their strategic objectives. As mentioned above, this is all the more evident with regard to NLA activities. Ideally these resources should be indicated in the results management framework as a condition for meeting the expected strategic objectives. Similarly, at completion, it is important to review whether the required resources have indeed been made available.

### **C. Background studies**

87. The 2011 ARRI reported that: "Efforts and investments in analytical work at the time of COSOP development and project design are still not consistent across the board. For example, changes in strategic objectives, subsector focus, and geographical coverage from one COSOP to another in the same country are often based on intuition and the appeal of new ideas to people, rather than informed by adequate analytical work, including analysis of institutions and context."<sup>60</sup> Furthermore, a more-thorough analysis is needed of the institutional architecture at the country level. This would help identify key partner institutions and the capacity gaps that IFAD could help governments fill in order to improve their overall performance."<sup>61</sup>
88. The impression is that CPMs, with limited resources, are struggling to respond to: the growing expectations of IFAD Management and the Executive Board regarding the analytical depth of COSOPs, especially concerning institutional analysis; the questions raised during the QE process; and the fact that a number of CPEs have found that not enough analytical work has been undertaken in developing the COSOP. It is agreed that a considerable amount of analytical work is needed for effective policy dialogue and scaling up of pro-poor interventions. In this regard, the formulation of the RB-COSOP is perceived as a unique opportunity to engage

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<sup>57</sup> Ibid.

<sup>58</sup> IFAD/PMD, Medium-Term Plan for IFAD9, paragraph 30.

<sup>59</sup> WCA is planning to carry out only two new RB-COSOPs during the next three-year PBAS cycle (2013-2015).

<sup>60</sup> ARRI 2010, p. 55, provides the examples of Morocco (deficiencies with regard to political, social and economic analysis) and Nigeria (deficiencies regarding agricultural and rural analysis).

<sup>61</sup> ARRI 2011, p. 56.

with governments. At the same time, some governments perceive IFAD as too small a player and consider the RB-COSOP an 'IFAD requirement'. While IFAD managers interviewed underscored the need for conducting a baseline poverty analysis – in order to identify IFAD's target group; understand the nature, structure and causes of their poverty; and establish a baseline against which to measure impact – most felt that increasing demands were being made to provide deeper analysis pertaining to the poverty and institutional context. Given the rather meagre resources allocated for COSOP preparation, they were unable to provide such analysis.

89. This does, indeed, create a dilemma. Mindful of the slender financial allocations for COSOP preparation, the 2011 guidelines give clear and detailed guidance on how the baseline poverty analysis can be done using secondary sources that are already in the public domain or available to IFAD.<sup>62</sup> This does not square with the rising expectations of IFAD Management and IOE, and this mismatch of expectations with available resources will have to be addressed.
90. Moreover, the guidelines recommend that a background preparatory study called a strategic environmental assessment (SEA) be done.<sup>63</sup> Given that the RB-COSOP is not an investment document but a strategic one, and that the agriculture and baseline poverty study contains a summary of environmental, natural resource management and climate change issues affecting the country in general and the target group in particular, this requirement may need to be reviewed.
91. The need to do preparatory background studies as a general practice should also be reconsidered. It could be limited strictly to situations in which information on a particular issue of high relevance is not available. Since IFAD is underresourced in this area, it should establish appropriate criteria for such selectivity.

## **D. Review process**

92. In 2008, IFAD issued detailed QE/QA guidelines that give step-by-step details on the 10 processing stages that a draft COSOP must go through. While most CPMs have found the guidelines useful, the review process has proven cumbersome and time-consuming. It has not facilitated an effective dialogue with recipient governments; has probably led to overambitious strategic objectives being formulated; and quite often has not provided significant value added.<sup>64</sup> In particular, it was felt that the management assessment template was a repetitive exercise, as it covered information already mentioned in the RB-COSOP. It was proposed that the template should be retained as a checklist for the CPMs and consultants preparing the RB-COSOP, but not as a mandatory requirement for QE purposes.<sup>65</sup>
93. Some feedback focused on the effectiveness of the external review. Before submission to the OSC, RB-COSOPs were regularly sent to external reviewers from the World Bank and the Food and Agriculture Organization of the United Nations (FAO). While this could be considered a model of institutional collaboration, some CPMs pointed out its occasional deficiencies. In some cases, the requests for additional information or analysis were not found really relevant for the purpose of COSOP formulation. CPMs were nevertheless obliged to spend considerable time responding to the issues raised, sometimes in repeated back-and-forth exchanges. The underlying grievance was that greater importance was given to the views of external reviewers than to those of the CPM accountable for the entire RB-COSOP process.

<sup>62</sup> IFAD, *Updated Guidelines and Source Book for Preparation and Implementation of a Results-Based Country Strategic Opportunities Programme (RB-COSOP)*, 2011, p. 53 ff.

<sup>63</sup> Ibid., 8. At present, a number of SEAs are funded and carried out by the Environment and Climate Division.

<sup>64</sup> The director of one regional division recommended, "Get rid of the external review since it is primarily an arrangement between the government and IFAD. And having a clever review doesn't help if what is recommended is not bought by the government!"

<sup>65</sup> The management assessment template was recently discontinued in the QE process of project formulation.

94. Needless to say, an external review can be justified only if it takes place at the right time and can bring valuable insights, alternative perspectives, cautions and cues that could enhance effectiveness, minimize risks, and provide better appreciation of the context and implications of the initial understandings.
95. In this regard, it was suggested that any review that might lead to changes reported to the government and key stakeholders involved in RB-COSOP formulation should be brought forward in the review process, to avoid diplomatic tangles with government. Related to this, it was also proposed that a government representative could be invited to participate in the OSC meeting, either in person or through a video link-up, in order to confirm the government's commitment and ownership.
96. With regard to the role of the Executive Board in endorsing the RB-COSOP, some of its members expressed satisfaction with current arrangements. Priority should be given to ascertaining the degree of commitment of the partner government to support implementation of the RB-COSOP with appropriate resources, both in terms of counterpart funding and qualified management resources.
97. Finally, in order to enhance the institutional efficiency of the review process, consideration should be given to approval by the Executive Board of new projects within the COSOP, at least those to be funded under the first PBAS cycle.

Box 21

**External review: An unhelpful experience**

A case in point was the external review done by the World Bank of the Viet Nam RB-COSOP, 2012, which argued against IFAD getting into climate change mitigation and also questioned assertions made regarding "the increasing frequency and severity of natural climate hazards" on the grounds that "there is no evidence of this".<sup>66</sup> As expected, and rightly so, the CPM rejected this suggestion and maintained the interventions proposed in the COSOP. A supporting view came in from the representative of Denmark,<sup>67</sup> who said, "We feel it is key that IFAD continues to support national coordination, structures and monitoring in climate change, given exactly the complexity of the area and the number of actors already working there." In fact, climate change adaptation/mitigation was also part of IFAD's strategic objectives, as well as a thematic area of focus.<sup>68</sup> The issue here was not the contrary view expressed by a reviewer, but the stress caused and the time taken by an already underresourced CPM to respond to such views, which in this case could hardly be said to be adding value.

Similarly, the China external review, except for a critique of some elements of the results management framework by FAO, did not provide any significant insights, comments or observations that were not already covered by internal reviews.<sup>69</sup>

In the case of Bangladesh, the CPM did not accept the external reviewer's recommendation (FAO) regarding microfinance, arguing "we have proof that the self-help model does not work".<sup>70</sup>

Source: Multiple – see references within box.

<sup>66</sup> World Bank review of the Viet Nam COSOP, 2012, p. 2 and footnote on p. 2.

<sup>67</sup> From Executive Board verbatim discussions of the RB-COSOP, 105<sup>th</sup> Session, April 2012, p. 3.

<sup>68</sup> *IFAD Strategic Framework 2011-2015*, p. 44.

<sup>69</sup> Refer to memo from CPM (China) to the Associate Vice-President, PMD, dated 23.9.12, regarding the "Conclusion of review process for the P.R. China COSOP".

<sup>70</sup> Refer to memo from CPM (Bangladesh) to the Associate Vice-President, PMD, dated 26.1.12, regarding the "Submission of the draft COSOP to the Executive Board, April 2012", p. 2.

**External review: A helpful experience**

On the other hand, the external review (FAO) of the Nigeria RB-COSOP (2010) pointed to an important driver of social conflicts in that country, religion, which had been overlooked in the programme and had important social and economic implications (for example, regarding gender issues, the impact of gender-specific activities and access of women to productive assets). The reviewers urged IFAD to examine whether and to what extent, if any, the religious aspect created particular challenges to the IFAD country programme.<sup>71</sup>

Source: FAO-TCIA review of the Nigeria RB-COSOP, 5 February 2010.

**E. RB-COSOP monitoring**

98. RB-COSOP monitoring is done principally through four instruments: (i) the RB-COSOP annual implementation progress report, referred to as the annual report; (ii) the client feedback survey;<sup>72</sup> (iii) the COSOP MTR; and (iv) the COSOP completion report.
99. At present, only 50 per cent of RB-COSOPs are reviewed annually. The main concern raised by several CPMs is that these activities have no budgetary allocation. Thus some CPMs finance annual reviews through the budget allocated for supervision and implementation support and undertake country programme reviews instead of individual project supervisions. Others are combining the in-country reviews of the annual report with the existing annual country portfolio implementation reviews, which are normally attended by all key stakeholders at project and government levels.<sup>73</sup>

**Thematic annual reviews improve Kenya COSOP performance**

Besides reviewing overall programme performance, each of the three annual reports conducted focused on a specific theme. The 2010 report dealt with M&E systems. The 2011 report, which was preceded by a client survey, focused on team-building of the Country Programme Management Team, which was poorly defined and its functions unclear. The team consisted of representatives of 10 ministries involved in different projects, each having different steering committees; the end result was that the expected outputs were not delivered. Participants in this review declared that, indeed, a "team was born". The annual report of 2012 reviewed developments in team culture and performance following the event in 2011 and found that it had resulted in better team and project performance and clarity on the roles of Country Programme Management Team members with regard to the design of the new RB-COSOP (2012-2017).

100. Another issue raised was that although the RB-COSOP is supposed to be a 'living document',<sup>74</sup> there is only one known case where changes have taken place (Sudan). The expectation of having the RB-COSOP adjusted regularly through annual reviews is also worth re-examining, especially in view of current budgetary constraints. In addition, the RB-COSOP MTR should be given a greater role and

<sup>71</sup> However, the final programme submitted to the Executive Board did not take this recommendation on board and made no reference to the role of religion in the social conflicts referred to in the text.

<sup>72</sup> This is a web-based survey form in which stakeholders, key country clients and partners are invited to provide anonymous feedback on IFAD's country programme performance.

<sup>73</sup> According to the COSOP management unit in SKM, review of the annual report would require extension of the annual country portfolio review by half a day at most, based on the filling out of a one-page results management framework to be attached to the project status reports and country programme issues sheets already being produced.

<sup>74</sup> Which reflects changes in the political, social and economic conditions of the partner country and thus facilitates fine-tuning and even new strategic directions, if warranted.

significance in assessing the progress being made, adjusting the Results Management Framework if needed and making the COSOP a real living document.

101. Finally, while completion reports of RB-COSOPs have not been produced to date, IOE should prepare to introduce the validation of COSOP completion reviews, similar to project completion report validation. The validation of COSOP completion reviews by IOE will further expand data for the ARRI report and will identify systemic issues for improving the quality of such reviews in the future. Thus it is important that Management define an approach and timeline for the preparation of COSOP completion reviews starting in 2013.

Box 24

**Sudan: The RB-COSOP as a 'living document'**

The first annual review of the RB-COSOP, which took place in December 2010, led to the results framework of the RB-COSOP (2009) being revised to bring about consistency with the strategic objectives, and with the outputs and outcomes of the projects.

Source: Sudan MTR, 2010, p. 1, paragraph 16.

## **F. Results management framework**

102. A key distinguishing feature of the RB-COSOP is the inclusion of a results management framework to track the performance and impact of IFAD's contribution and to promote accountability.
103. While reporting on results and outcomes has improved over the years, ARRI reports have highlighted significant remaining challenges:
- (i) Choosing appropriate indicators that capture outcomes and impacts;
  - (ii) Linking project goals and outcomes with country-level strategic goals and outcomes;
  - (iii) Determining realistic goals and expected outcomes, which are often overly ambitious;
  - (iv) Formulating dedicated composite indicators and targets that measure government performance, which is a critical determinant of effectiveness;<sup>75</sup>
  - (v) Reporting on rural poverty impact in accordance with the categories used by IOE (e.g. food security and agricultural productivity, etc.), which would allow better appreciation of how operations are affecting key corporate priority areas;<sup>76</sup>
  - (vi) Addressing M&E deficiencies, both within IFAD's own project portfolio and at the country programme level. Well-functioning M&E systems at both levels can allow IFAD to fine-tune COSOPs throughout their duration, as needed, based on results and lessons learned.<sup>77</sup>

Box 25

**Cambodia: M&E in need of improvement**

In Cambodia, the annual review found that reporting was largely on outputs delivered rather than on outcomes, and attributed this deficiency to the inability of the project M&E system to capture all the benefits as expected.

Source: Cambodia, COSOP annual report, September 2009, p. 9, paragraph 24.

- (vii) Resolving the recurrent debate of 'attribution' versus 'contribution'. Since IFAD does not operate alone, it is extremely difficult to establish causal

<sup>75</sup> ARRI 2010, p. 69.

<sup>76</sup> Ibid.

<sup>77</sup> ARRI 2011, p. 45.

linkages for given outcomes and impacts arising solely from IFAD operations. This issue is all the more relevant now that IFAD is committed to reaching out to 90 million poor people during the Ninth Replenishment of IFAD's Resources (IFAD9), 2013-2015. There is a compelling case that IFAD should move from attribution to contribution towards reaching national priorities and goals.

104. Despite all past IFAD efforts, M&E systems at project and country levels, and their integration with national M&E systems, continue to be a challenge. Needless to say, effective M&E systems are essential for results-based management. Although several development agencies are struggling with the same issues, with greater international attention being paid to rigorous assessment, focused efforts will have to be made to systematically report on results at both project and country programme levels.<sup>78</sup>

Box 26

**Indonesia: M&E must go beyond data collation for reporting purposes**

An IOE evaluation found that, at the project level in Indonesia, the M&E system is generally weak and restricts itself to measuring physical and financial progress only. Across the portfolio, there is a lack of a systematic and rigorous approach to impact measurement. M&E is being used as an instrument to fulfil the requirement of producing monthly, biannual and annual reports for both the government and IFAD. Data collected is sent up to the provincial and national levels for compilation to produce the reports; no analysis of the data is done at the project level, and thus an important learning occasion is lost. In some instances, the M&E systems are overdesigned, too complicated and thus underimplemented. Overall, there is little evidence of planning for strategic M&E and achieving better alignment with IFAD's Results and Impact Management System (RIMS).

*Source:* Indonesia, draft CPE, 2012, p. 55, paragraph 195.

105. There is a need to begin a process of dialogue with governments in concert with other development organizations to arrive at an essentially minimal M&E system that is coherent, integrated and implementable across all development projects, and which feeds into national data and information systems and complies with IFAD's requirements. This is no easy task, because it is not just a question of data management, but also of harmonization of the policies and administrative procedures adopted by national governments and IFAD concerning the implementation, management and accountability structures of projects and programmes.

<sup>78</sup> ARRI 2011, p. 57, subparagraphs (viii) and (ix).



**Madagascar and Rwanda show the way: Operationalizing the results management framework**

Madagascar has been successful in implementing a management and monitoring system at the COSOP level. The cornerstone of this system is the establishment of clearer linkages between project-level indicators and COSOP objectives that allows for reporting progress against these objectives. Moreover, IFAD and the Government have created a coordination unit (CAPFIDA) for IFAD-funded projects within the Ministry of Agriculture, which has specific teams handling 'higher plane' tasks such as policy dialogue, knowledge management, partnership and COSOP review. This achievement has been made possible due to dedicated resources from IFAD loans, as well as to political will on the part of the Government.

Rwanda has sought to retrofit all ongoing projects against the COSOP milestone indicators wherever possible, and has devised a 'traffic light' rating system, done by the PCUs themselves, that assesses the likelihood of projects realizing their annual targeted results. A red colour rating would indicate 'unlikely'; yellow would indicate a 'lag' and green would indicate 'on track'.

*Source:* Madagascar, Fabrizio Felloni, Back-to-Office Report, 1 October 2012, paragraph 10; Rwanda, Claus Reiner, presentation made during 'learning event' at IFAD, 8 November 2012.

**Key points**

- **Ownership and formulation.** IFAD and the partner country jointly develop RB-COSOPs. The difference lies in the commitment of the partner government, which in turn is directly linked to its sense of ownership. Whenever RB-COSOPs include unrealistic objectives, the question arises whether the partnership is effective.
- **Timing, costs and delivery budget.** RB-COSOP formulation is lengthy – from one to two years – while its budget ranges from US\$25,000 to US\$60,000. There is a mismatch between the RB-COSOP cycle, the PBAS cycles and the national development plan cycle. RB-COSOPs do not provide an indication of the budget required for their delivery or the attainment of their strategic objectives.
- **Background studies.** Given the meagre budgetary resources, the formulation of an RB-COSOP is unable to meet expectations for comprehensive analytical work. This creates a dilemma. Background studies could be strictly limited to situations in which information on a particular issue of high relevance is not available.
- **Review process.** IFAD Management issued detailed RB-COSOP and QE/QA guidelines, which give step-by-step details on the 10 processing stages. While useful, they may promote a compliance culture. Most CPMs perceive the review process as cumbersome and time-consuming, not facilitating an effective dialogue with recipient governments and quite often not providing significant value added. Moreover, the late review process may lead to diplomatic tangles with the government, which contradicts the ownership principle.
- **RB-COSOP monitoring.** Several CPMs expressed concern about the lack of budgetary allocation for RB-COSOP monitoring through annual reviews. The MTR of the RB-COSOP should be given a greater role in assessing progress. With few exceptions, the concept of the RB-COSOP as a 'living document' is not yet operational. Completion reports of RB-COSOPs have not been produced to date.
- **Results management framework.** While reporting of results and outcomes has improved over the years, significant challenges do remain, such as choosing appropriate indicators, linking project objectives to country and corporate-level objectives, and establishing causal linkages for given outcomes and impacts arising from IFAD's operations. The weakness of M&E systems at project and country programme levels continues to pose a challenge.

## VII. Country strategy practices of other IFIs

106. All financing institutions submit their country strategy documents<sup>79</sup> to their executive boards for endorsement. With the exception of ADB, country strategies are not formally approved, as they reflect a bilateral agreement between the IFI and the recipient country. Generally they cover a five-year period. As in IFAD, all other IFIs have evolved their country strategy processes over the years. The main driver of this evolution can be identified in the intention to incorporate the principles of ownership included in the Paris Declaration, and in particular the principle of measuring results.<sup>80</sup> The following are selected elements of analysis of the process and content of country strategies in other IFIs.
107. **Measuring results.** All IFIs now include a results management framework in their country strategies. Draft country strategies are the subject of internal review before submission to their executive boards, and are subsequently monitored during annual country strategy reviews. This alignment, however, is not problem-free. IFIs are subject to common challenges: (i) how to capture results that have backward/forward linkages with project/corporate results; (ii) how to capture relevant indicators and targets for investments not yet approved; (iii) how to align results associated with IFI strategic frameworks and government development plans; and (iv) how to adjust objectives throughout the country strategy period. Regarding the latter, ADB acknowledges that “results-based country strategies are only useful if they are supported by regular monitoring, updating of indicators and adjustment of future operational strategies.” While this principle is clear, its implementation must be better defined.
108. **Multisectoral approach and different financial instruments.** Compared with IFAD, the most obvious difference lies in the multisectoral dimension of other IFIs. This element adds complexity to the preparation of country strategies: each regional department responsible for the country concerned must work with several sectoral departments. At times, this collaboration ends up in a competitive quest for which sector should be given priority. Also, there can be conflicting dynamics between corporate-level sectoral targets and country-level national plan objectives. The mediation of this process takes place during the internal review. However, the concern is to prevent a situation in which preliminary agreements made with the government concerned are rejected during the review process.
109. **Implementation of the Paris Declaration on Aid Effectiveness.** As mentioned previously, all country strategies also refer to Paris Declaration principles. In practice, the degree of adherence to these principles varies. AfDB acknowledges that the approach followed varies between countries eligible for concessional aid (ADF countries) and those that are not. In the latter case, recipient governments have much more say in deciding where to invest AfDB’s resources and, accordingly, the country strategy papers have much more flexibility.<sup>81</sup> Also, ADB acknowledges that, while safeguarding the principle of government ownership, “we lead the process”. Common to all, there is a genuine attempt to follow an open process of consultation with many more stakeholders than in the past.
110. **Role of IFI staff.** Another common feature among all other IFIs is the full involvement of their staff in the entire process, while the use of external consultants is considered an exception. This is possible because of the availability

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<sup>79</sup> World Bank, Country Assistance Strategy; ADB, Country Partnership Strategy; AfDB, Country Strategy Paper; IDB, Country Strategy.

<sup>80</sup> Paris Declaration principles: ownership, alignment, harmonization, measuring results and mutual accountability. Accra Declaration principles: predictability, country systems, conditionality and untying of aid.

<sup>81</sup> AfDB’s Independent Evaluation Department (IED) has expressed concern that a number of recent country strategies seem to be becoming standardized, identifying as common priorities the strengthening of governance and support for infrastructure. Although this could reflect AfDB’s perceived comparative advantage, it could also reveal the prevalence of a corporate agenda versus diversified national development goals.

of specialized sector staff and because of the need to ensure full institutional ownership of and priority for this process.

111. **Involvement of country offices.** Country strategy preparation has been decentralized in most IFIs reviewed. The country office normally drives the process, under the overall guidance of regional departments, and is responsible for ensuring that government priorities are included and addressed during the formulation of country strategies. An exception is AfDB, where country strategy missions are led by regional departments based at headquarters with participation from all sectors, with the objective of discussing country strategy priorities with governments and donors and of identifying a project pipeline. Even at AfDB, however, there is a plan for further decentralization, where responsibility will be transferred to country economists.
112. **Role of executive board.** In all IFIs, country strategy documents are submitted to their executive boards for review and endorsement – the exception being the ADB, which formally approves the documents. As a means of enhancing institutional efficiency, the endorsement/approval of a country strategy normally implies approval of the introduction into the pipeline of the investment proposals associated with it – normally described with project concept notes.
113. **Budget.** In terms of resources devoted to country strategy preparation, all other IFIs allocate greater resources than IFAD, considering the staff time involved. Although there are no official figures, it is estimated that the preparation of a country strategy can range from US\$250,000 to US\$500,000.
114. **Structure of country strategy documents.** The contents of strategy documents reflect more similarities than differences. Country strategies generally start with a description of country contexts, spelling out economic, social and political dimensions and the government's objectives. They provide information about the aid framework, review past operations and try to identify their institution's comparative advantage. Also common to all country strategies are the rationale for future interventions and the identification of strategic objectives and expected results. Compared with IFAD's COSOPs, there is more attention to the identification of risks and mitigation measures. Policy dialogue is retained under a broader concept of country dialogue. A unique IFAD feature is inclusion of the agreement at completion point whenever a CPE has preceded formulation of the RB-COSOP. IFAD also requires inclusion of the results management framework of the last country strategy, while the World Bank attaches the last completion report.
115. **Asian Development Bank (ADB).** The experience of ADB is particularly relevant. ADB's country partnership strategy (CPS) procedures were changed as of January 2010, following a major review of their relevance, effectiveness and efficiency. The review concluded that CPS was an encyclopaedic, repetitive and resource intensive product, subject to 'mission creep', in which ADB's policies were translated into formal and informal CPS requirements without considering their relevance. The review also pointed out that the QA process was not effective, the results management framework overly complex, and the average processing time of a CPS about two years (against a corporate objective of 39-45 weeks).
116. The new CPS procedures have the following main objectives: (i) present crisper documents; (ii) minimize preparation costs; (iii) make the process less time-consuming; (iv) better reflect ADB's core areas of specialization; and (v) improve knowledge management. The following were the main operational changes: better alignment with client needs; simplification of supporting documentation; interdepartmental review replaced by peer reviewers within the country team;<sup>82</sup> introduction of a three-year 'country operation business plan' as a CPS

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<sup>82</sup> Including the Economic and Research Department, the Independent Evaluation Department and the Regional and Sustainable Development Department.

implementation tool (detailing three-year rolling pipelines and the resources needed to support them); strengthening the results framework, to be reviewed and updated annually as part of country programming; abolishment of the CPS midterm review; and replacement of the CPS completion report with a CPS final review to assess the validity of ADB's strategic focus and report on CPS progress using the results framework.

#### Key points

- All IFIs have evolved their country strategy processes over the years. All financing institutions submit their country strategy documents to their executive boards for endorsement, with the exception of ADB which goes for approval. Generally they cover a five-year period. All IFIs now include a results management framework in their country strategies.
- Compared with IFAD, the most obvious difference lies in the multisectoral dimension of other IFIs. This element adds more complexity to the preparation of country strategies. Another difference relates to the use of external consultants, which is considered an exception because of the availability of specialized sector staff and the need to ensure full institutional ownership of and priority for this process.
- All country strategies implement the Paris Declaration on Aid Effectiveness and refer to Paris Declaration principles. However, the degree of adherence to these principles varies.
- Country strategy preparation has been decentralized to country offices in most IFIs reviewed. An exception is AfDB, where regional departments based at headquarters lead country strategy missions.
- In terms of resources devoted to country strategy preparation, all other IFIs undoubtedly allocate larger resources than IFAD.
- With regard to the structure of country strategy documents, there are more similarities than differences. Compared with IFAD's RB-COSOP, there is more attention to the identification of risks and mitigation measures. Policy dialogue is retained under the broader concept of country dialogue. A unique IFAD feature is the inclusion of the agreement at completion point and the results management framework of the last country strategy, while the World Bank provides the last completion report.

## VIII. Conclusions

117. We began this synthesis survey with the objective of assessing whether the new RB-COSOP has enabled IFAD to enhance the performance of its country programmes and whether it is serving as an instrument for: (i) improved country programme planning; (ii) learning and accountability; and (iii) strengthened synergy between lending and non-lending activities.
118. In the process, we outlined the context and drivers of IFAD's move from generalized COSOPs to RB-COSOPs; evaluated the relevance, effectiveness and overall performance of RB-COSOPs; and assessed the performance of their key components: project performance, impact on poverty, sustainability, innovation and scaling up, knowledge management, policy dialogue, partnership-building and COSOP management arrangements.<sup>83</sup>
119. Specifically, with regard to the questions we posed at the beginning of this report, the evidence available would support the following observations:
  - ✦ **Country programme planning.** RB-COSOPs have helped improve effective country programme planning by ensuring better geographical and demographic targeting and alignment with national development goals and IFAD's Strategic

<sup>83</sup> We did not assess project impact as this was beyond the scope of this meta-evaluation. However, CPEs have considered this aspect when rating COSOP effectiveness and we have drawn upon these results.

Framework. Serious efforts have been made to promote full country ownership of the programmes in accordance with the Paris Declaration. Still, there is work to be done, especially with regard to aid harmonization and adoption of national systems of implementation, monitoring and reporting.

✦ **Synergies between lending and non-lending activities.** While RB-COSOPs have led to increased attention to policy dialogue, partnership-building and knowledge management in order to promote innovations and scaling up, the effectiveness of these activities is greatly limited by the fact that they are underresourced. Thus synergies are not adequately created between these activities (including the use of grants) and the desired impacts are not realized.

✦ **Learning and accountability.** The RB-COSOP's emphasis on knowledge generation and sharing, as well as on tracking and monitoring of results, has led to a heightened sense of accountability among all key stakeholders and has contributed to improved country programme performance. IFAD is generally seen as a reliable and supportive development partner that contributes a wealth of international experience to this effort. The RB-COSOP is viewed as an important input in strengthening and deepening this relationship, while making IFAD's development contribution more effective.

120. Similarly, with regard to assessment of the performance of RB-COSOPs and their key components, past evaluation activities would support the following conclusions:

✦ **RB-COSOP performance.** Based on CPE assessments of the five RB-COSOPs in terms of their relevance, effectiveness and overall performance, there has been a general improvement across all three categories compared with COSOPs. In particular, CPEs have noted a marked improvement regarding the sense of ownership exhibited by partner governments. However, there is room for improvement.

✦ **Portfolio performance.** There has also been an improvement in portfolio performance over the years.<sup>84</sup> Individual projects have resulted in significant impact at the household level, as well as in human and social empowerment, in particular. The sustainability rating of projects has been improving over time. Quite noticeably, RB-COSOPs have been paying greater attention to innovation and scaling up.

✦ **NLA performance.** CPEs have noted an overall improvement in the performance of NLAs over the years. However, there are a number of limitations that constrain this performance: insufficient human and budgetary allocations; limited incentive and accountability structures; insufficient in-country human resources; limited grant resources and cumbersome access procedures; and insufficient integration of these activities into overall country programmes. Looking at NLAs in more detail:

- (a) **Knowledge management** continues to perform less well than policy dialogue and partnership-building, but has nevertheless been showing consistent improvement in recent years. The challenge for IFAD is to build on successful innovations by producing knowledge products for training, capacity-building and evidence-based policy and advocacy.
- (b) **Policy dialogue** has shown an upward trend but continues to face challenges. Since IFAD seeks to play an increasingly proactive role in national, regional and global policymaking forums, it will have to look beyond the scope of concrete project-level issues and invest substantially in analytical capacity, knowledge management and networking. It should acknowledge that the difference in this domain is created by the quality

<sup>84</sup> This also includes an assessment of rural poverty impact, sustainability, innovation and scaling up.

of knowledge, access and relationships. At the same time, the tendency to set overly ambitious goals should be addressed by reviewing the QE/QA process and ensuring that the policy agenda is coherent with the strategic objectives of the country programme.

- (c) **Partnership-building** has also improved, though marginally. On the whole, IFAD has been rather successful with regard to building partnerships with governments, NGOs and civil society. Partnerships with multilateral and bilateral development organizations, as well as with donor agencies, are more limited and not as successful as hoped. Partnerships with the private sector are now on the agenda, though much work has yet to be done in terms of developing appropriate instruments and mechanisms for purposeful collaboration.
121. It should be pointed out, however, that while the improved performance in country programming can be attributed to some extent to the introduction of the RB-COSOP, the overall improvement in performance of lending and non-lending activities can be largely attributed to IFAD's move to direct supervision, increased support being provided to projects through grants, increased involvement of civil society and private-sector actors, a growing in-country presence, and the individual initiatives of CPMs and country teams. At the same time, there is room to enhance the quality of RB-COSOPs, ensuring that they provide realistic objectives – in particular in the domains of policy dialogue and partnership development – and that they retain a forward-looking strategic focus and do not end up as bureaucratic documents, simply required for justifying the introduction of new projects into the pipeline. In this regard, IFAD Management should ensure that RB-COSOP formulation, management and monitoring are properly funded. The decisions being taken following the recent budgetary reductions seem to be going in the opposite direction, affecting RB-COSOPs more than other instruments of intervention. In addition, both Management and the Executive Board should ensure that RB-COSOPs work as effective instruments of country programme management, are not loaded with unrealistic expectations, not vexed with unnecessary requests and respond to borrowers' diverse needs.
122. Finally, based on the review of IFAD management documents and interactions with IFAD staff, the synthesis report has identified a number of issues that may be considered by IFAD Management in preparing the new RB-COSOP Guidelines foreseen for 2014 in order to further enhance IFAD operations:
- (i) **RB-COSOP guidelines.** While the current guidelines are comprehensive, they should be simplified. Clarity on a few key questions must be provided, such as when an RB-COSOP should be undertaken and its synchronization with the government's development plans. Moving away from a compliance approach, the new guidelines should also acknowledge the possibility of customizing IFAD country strategies in accordance with diverse country circumstances and borrowers' requests.
  - (ii) **Budget.** RB-COSOPs are underresourced, with regard to both formulation and monitoring of implementation. This issue should be addressed promptly, mainly with regard to the rising expectations of IFAD Management of an enhanced country programme approach and more-effective reporting on results.
  - (iii) **Review process.** Most staff have expressed the view that the entire review process is cumbersome, time-consuming and often reflects the personal or institutional perspectives of the reviewer. The experience with external reviews is mixed, and it is not obvious whether it adds real value. The review process could be simplified by dropping the requirement for a management assessment template. The in-house QA/external review, if maintained, should take place earlier in the process, certainly before final negotiations with



Government,, with the participation, when appropriate, of a government representative.

- (iv) **RB-COSOP monitoring.** Normally, RB-COSOP annual reviews are combined with portfolio reviews and focus more on tracking project implementation progress and difficulties being faced than on assessing whether projects and NLAs together are contributing towards achieving the RB-COSOP's strategic objectives. Moreover, there does not seem to be additional funding for annual review activities. Thus it is questionable whether they should be retained or phased out, while investing more in MTRs.
- (v) **Results management framework.** While reporting on results and outcomes has improved over the years, significant challenges remain such as choosing appropriate indicators, linking project-level with country-level strategic goals and outcomes, determining realistic objectives, and formulating dedicated composite indicators and targets that measure government performance. At the same time, the weakness of M&E systems at project and country programme levels continues. Well-functioning M&E and reporting systems are necessary to fine-tune RB-COSOPs throughout their duration – as they are supposed to be 'living documents'. Finally, expectations of attributing results to IFAD should be replaced by identification of what IFAD contributes to the achievement of a government's own objectives.
- (vi) **Rename RB-COSOP.** Last, but not least, consideration could be given to renaming IFAD's country strategies. In line with the principles of the most recent declarations on aid effectiveness, it is worth placing emphasis on the partnership element. The term 'country partnership strategy', currently used by the World Bank and ADB could be one option.
- (vii) **Approval process by the Board.** In order to improve the efficiency of the Executive Board, members may wish to reflect on whether the Board should be asked to approve future loans and grants to a specific country within the context of a new RB-COSOP. This could relieve the Board of spending the time needed to approve individual projects. To ensure more-informed decision-making, the Board could also discuss the full CPE reports, when available, before considering a new RB-COSOP in the same country.

## Summary table of key changes to the COSOP

| Comparison of COSOPs and RB-COSOPs (Cols. 2 and 3) <sup>a</sup> |   |   |  |  |  |  |
|---|---|---|--|--|--|--|
| (1)   | COSOP<br>(2)  | Results-based COSOP<br>(3)  | Kenya<br>(4)   | Rwanda<br>(5)  | Viet Nam<br>(6)  | Yemen<br>(7)   |
| <b>Purpose of COSOP</b>   | Strategic positioning of IFAD at the country level    | Strategic positioning of IFAD at the country level with reference to the Strategic Framework (SF) and other IFAD policies/strategies<br><br><b>plus</b><br>Management, learning and accountability for achieving strategic objectives | Both the COSOP and the RB-COSOP made reference to IFAD's SF; the COSOP also referred to three IFAD regional strategies. It was seen more as a strategic document than for accountability purposes  | Yes, as indicated in both cases. The COSOP was seen more as a strategic document than for accountability purposes  | Yes, as indicated in both cases. The COSOP was seen more as a strategic document than for accountability purposes  | Yes, as indicated in both cases. The COSOP was seen more as a strategic document than for accountability purposes  |
| <b>IFAD specificity</b>   | Discussion of IFAD niche                              | Systematic description of IFAD's comparative advantage and competencies in the country  | Yes, as indicated, in both cases   | Yes, as indicated, in both cases   | Yes, as indicated, in both cases   | Yes, as indicated, in both cases   |
| <b>Target group</b>   | No discussion of targeting strategy and target groups | Inclusion of targeting strategy and key file on intended target groups  | The previous COSOP had a diffused strategy, whereas the RB-COSOP strategy was clearly defined and specific. Both strategies have a key file on the target group, but the RB-COSOP's is specific and detailed, whereas the COSOP's is broadly generic in nature | The COSOP did not have a clear social targeting approach. The RB-COSOP clearly identified four categories of poor groups as well as farmers' organizations, and determined the target population using community-based participatory processes. While neither the COSOP nor the RB-COSOP dealt with geographical targeting, the RB-COSOP established criteria for selection of areas that would benefit from future interventions. Both have a key file on the target group, but the RB-COSOP's is specific, with poverty indicators and coping mechanisms, whereas the COSOP's is broadly generic in nature | The COSOP included both geographical targeting and social targeting based on community wealth ranking. However, the RB-COSOP has a detailed analysis of vulnerable groups (seven categories as against only four of the COSOP) and has a key file in this regard, which is absent in the COSOP | The COSOP targeted marginal and peripheral areas in which the majority of inhabitants are poor, whereas the RB-COSOP adopted a broader approach – wherever rained agriculture is predominant – since these areas would likely have high poverty rates. The RB-COSOP chose a self-targeting approach, tailoring interventions in purpose, scope and size so as to be attractive mainly to poor people. Four categories of poor people were identified in the RB-COSOP |

| Comparison of COSOPs and RB-COSOPs (Cols. 2 and 3) <sup>a</sup> |   |   |  |  |  |   |
|---|---|---|--|--|--|---|
| (1)   | COSOP<br>(2)  | Results-based COSOP<br>(3)  | Kenya<br>(4)   | Rwanda<br>(5)  | Viet Nam<br>(6)  | Yemen<br>(7)  |
| <b>Ownership</b>  | IFAD ownership  | Joint IFAD and country ownership. In-country stakeholder involvement in COSOP design and implementation   | Previous COSOP largely an IFAD-led activity; the RB-COSOP resulted from extensive consultations and has a specific appendix in this regard   | Previous COSOP largely an IFAD-led activity; the RB-COSOP resulted from extensive consultations and has a specific appendix in this regard   | Previous COSOP largely an IFAD-led activity; the RB-COSOP resulted from extensive consultations and has a specific appendix in this regard   | Previous COSOP largely an IFAD-led activity; the RB-COSOP resulted from extensive consultations and has a specific appendix in this regard  |
| <b>Aid effectiveness</b>  | No systematic analysis  | Full alignment with national poverty reduction strategy (or its equivalent)<br><br>Description of how IFAD is interfacing with harmonization/alignment initiatives, with emphasis on IFAD's complementarity | Both COSOPs were aligned with the poverty reduction strategy process (PRSP) and other govt. policies. There is greater emphasis on harmonization in the RB-COSOP, especially through participation in the Development Partners Coordination Group (DPCG) and in two cross-sectoral clusters (rural development and the private sector) | Both COSOPs were aligned with the PRSP and other govt. policies. While both the COSOP and RB-COSOP recognized the need for harmonization, no specific measures were proposed   | Both COSOPs were aligned with the PRSP and other govt. policies. While both the COSOP and RB-COSOP recognized the need for harmonization, no specific measures were proposed   | Both COSOPs were aligned with the PRSP and other govt. policies. While both COSOPs recognized the need for harmonization, no specific measures were proposed  |
| <b>Focus</b>  | Lack of focus a frequent criticism (often have more than seven areas of intervention) | Maximum of three strategic objectives in each COSOP (possibly up to five in special cases)  | The previous COSOP had only one broad goal; the RB-COSOP had three specific, focused strategic objectives  | The COSOP had seven strategic objectives ('thrusts'); the RB-COSOP had three specific strategic objectives   | The COSOP had eight thrust areas; the RB-COSOP had four specific strategic objectives  | The COSOP had five thrust areas; the RB-COSOP had three specific strategic objectives   |
| <b>Instruments for delivering the country programme</b>         | Mainly loans  | Loans, grants, policy dialogue, partnerships, knowledge management  | Policy agenda was directly linked to the strategic objectives in the RB-COSOP, but only broadly in the COSOP; besides knowledge management, which was not specifically considered in the COSOP, grants and partnerships were considered in both COSOPs   | Policy agenda was directly linked to the strategic objectives in the RB-COSOP; the COSOP identified six policy dialogue areas, but did not specifically link them to the strategic objectives; knowledge management was not dealt with in the COSOP, whereas in the RB-COSOP it was considered for each level – programme, project and community | Policy agenda was directly linked to the strategic objectives of the RB-COSOP, which included a table on how policy changes would be sought; the COSOP also had six policy areas, but no specific outcomes were defined nor pathways determined; knowledge management was not dealt with in the COSOP; the RB-COSOP had a specific knowledge management and communication strategy | The PC identified four areas for policy change; however, it didn't say how it would realize these; the RB-COSOP was more precise: it identified four areas for dialogue and envisaged these becoming part of PBAS consultations during the annual review process; the RB-COSOP had a specific knowledge management strategy and identified innovation opportunities against each strategy objective |

| Comparison of COSOPs and RB-COSOPs (Cols. 2 and 3) <sup>a</sup> |   |  |   |  |   |   |
|---|---|--|---|--|---|---|
| (1)   | COSOP<br>(2)  | Results-based COSOP<br>(3)   | Kenya<br>(4)  | Rwanda<br>(5)  | Viet Nam<br>(6)   | Yemen<br>(7)  |
| <b>Complementarity of delivery instruments</b>                  | Rare  | Full synergy and complementarity of delivery instruments in support of the same three central strategic objectives | The COSOP did not consider synergies, whereas the RB-COSOP did try to leverage NLAs to achieve the strategic objectives; the full potential of grants was not realized in either case | The COSOP did not consider synergies, whereas the RB-COSOP did try to leverage NLAs to achieve strategic objectives  | The COSOP did not consider synergies, whereas the RB-COSOP did try to leverage NLAs to achieve strategic objectives   | The COSOP did not consider synergies, whereas the RB-COSOP did try to leverage NLAs to achieve strategic objectives                                   |
| <b>Operational details</b>                                      | Description of future loans not always included   | Brief description of future projects included, in particular projection of likely results from these projects      | No separate project concept notes attached in either case, though the CPE makes mention of five new projects to be implemented following the RB-COSOP                                 | The COSOP spoke of expanding two ongoing projects and planning a new one, but neither finance, target groups nor impacts were included; the RB-COSOP included two project concept notes with the necessary details | No project concept notes attached to the COSOP, though two new loans without details were indicated; the RB-COSOP included two detailed project concept notes with an outlay totalling US\$37 million | No project concept notes attached to the COSOP; the RB-COSOP included four detailed project concept notes, with an outlay totalling US\$70-80 million |
| <b>Financing framework</b>                                      | No standard approach  | Standard approach following IFI best practice  | In the RB-COSOP, there is a discussion of the PBAS, but no indication of the level of resources that would be made available; the COSOP makes no mention of resources                 | The PBAS method was used to allocate US\$21 million for the period 2007-2009 and possibly the same figure or more for 2010-2012; the COSOP makes no mention of funds required                                      | The COSOP mentions a total allocation of US\$48 million, without indicating how it arrived at this figure; the RB-COSOP used the PBAS to arrive at a figure of US\$80 million                         | The RB-COSOP used the PBAS to arrive at a figure of US\$60 million  |
| <b>Results framework</b>  | Logical framework   | Results management framework   | Yes, as indicated in both cases   | Yes, as indicated in both cases; the RB-COSOP pledged to establish a 'country-programme-wide M&E system' harmonized with national monitoring systems   | Yes, as indicated in both cases; the results management framework had quantitative outcome and milestone indicators   | Yes, as indicated in both cases   |
| <b>Accountability</b>   | Limited accountability (no annual reporting, no MTR and no self-evaluation at COSOP completion) | Annual reporting on results management framework indicators, an MTR and self-evaluation at completion              | Yes, as indicated in both cases, except that in the RB-COSOP, no CR is available  | Yes, as indicated in both cases, except that in the RB-COSOP, no CR is available   | Yes, as indicated in both cases, except that in the RB-COSOP, no CR is available  | Yes, as indicated in both cases, except that in the RB-COSOP, no CR is available  |

| Comparison of COSOPs and RB-COSOPs (Cols. 2 and 3) <sup>a</sup> |                                       |   |   |   |  |   |
|---|---------------------------------------|---|---|---|--|---|
| (1)   | COSOP<br>(2)                          | Results-based COSOP<br>(3)  | Kenya<br>(4)  | Rwanda<br>(5)   | Viet Nam<br>(6)  | Yemen<br>(7)  |
| Retrofitting  | No retrofitting to ongoing activities | Annual reporting on results management framework indicators will cover both ongoing and new activities<br><br>Limited retrofitting would be encouraged during the life of the COSOP, while respecting any limitations imposed by established legal agreements | Yes, as indicated in both cases; neither the MTR nor the CPE of the RB-COSOP recommended retrofitting                         | Yes, as indicated in both cases; no retrofitting of the RB-COSOP was deemed necessary   | Yes, as indicated in both cases; no retrofitting of the RB-COSOP was deemed necessary                          | Yes, as indicated in both cases; no retrofitting of the RB-COSOP was deemed necessary |
| Supplementary appendices  | Selected key files                    | Full set of key files   | Both had a full set of key files, with the COSOP having an additional 'stakeholders' matrix' pertaining to project activities | Both had a full set of key files, with the COSOP having an additional 'stakeholders' matrix' pertaining to project activities | The COSOP had only one key file: 'other donors and their activities'; the RB-COSOP had a full set of key files | The RB-COSOP had a full set of key files  |

Source: IFAD, *Updated Guidelines and Source Book for Preparation and Implementation of a Results-Based Country Strategic Opportunities Programme (RB-COSOP)*, Vols. 1 and 2 (Rome, 2011).

<sup>a</sup> This section draws on the earlier COSOPs, RB-COSOPs and the latest CPEs of these four countries as follows: Kenya (COSOP 2002, RB-COSOP 2007, CPE 2011); Rwanda (COSOP 2002, RB-COSOP 2007, CPE 2012); Viet Nam (COSOP 2003, RB-COSOP 2008, CPE 2012); Yemen (COSOP 1997, RB-COSOP 2007, CPE 2011).

## List of documents and IOE reports reviewed

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- OECD. 2008. *Accra Agenda for Action*. Third High Level Forum on Aid Effectiveness, Accra, Ghana, 2-4 September.
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- OECD. 2011. *Busan Partnership for Effective Development Co-operation*. Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November - 1 December.
- Fabrizio Felloni. 2012. Back-to-office report, 1 October. Rome: IFAD.
- IFAD. 2012. The 2012 Learning Theme – Policy Dialogue. In: *ARRI 2012*, pp. 33-38. Rome.
- IFAD. 2012. *Draft Medium-Term Plan for IFAD9 (2013-2015)*, October. Rome.

### IFAD country programme evaluations

Rwanda 2006  
Cambodia 2007  
Mali 2007  
Brazil 2008  
Morocco 2008  
Pakistan 2008  
Ethiopia 2009  
Nigeria 2009  
Sudan 2009  
Argentina 2010  
India 2010  
Mozambique 2010  
Niger 2010  
Kenya 2011  
Yemen 2011  
Ghana 2012  
Indonesia 2012  
Mali 2012  
Rwanda 2012



Viet Nam 2012

**RB-COSOPs**

Ghana 2006

Kenya 2007

Mali 2007

Rwanda 2007

Yemen 2007

Brazil 2008

Ethiopia 2008

Viet Nam 2008

Sudan 2009

Nigeria 2010

China 2011

India 2011

Egypt 2012

Viet Nam 2012

**COSOPs**

Brazil 1997

Yemen 1997

Egypt 2002

Kenya 2002

Rwanda 2002

Viet Nam 2003

Egypt 2006

**IFAD midterm reviews**

Bangladesh 2008

Kenya 2010

Viet Nam 2010

Sudan 2012

**IFAD RB-COSOP annual implementation progress reports**

Cambodia 2008, 2009 and 2010

Kenya 2010, 2011 and 2012

Viet Nam 2010, 2011 and 2012

Brazil 2011

**IFAD Operational Strategy and Policy Guidance Committee meeting minutes/  
issues papers**

Yemen: COSOP (OSC 07/50/PN – 16 October 2007)

Viet Nam: 2007 for COSOP 2008, OSC Issues Paper for COSOP 2008

Rwanda: COSOP (OSC 07/33/PF – 12 July 2007)

Mali: COSOP (OSC 07/47/PA – 04 October 2007)

Kenya: COSOP (OSC 07/34/PF – 12 July 2007)

Brazil: COSOP (OSC 08/07/PL – 10 June 2008)

Yemen: (OSC 09/11/PN – 19 March 2009), Economic Opportunities Project (EOP) –  
concept note

Nigeria: OSC Issues Paper – 19 February 2010

India: COSOP (OSC 2011/06/APR – 3 March 2011)

Viet Nam: OSC Issues Paper for COSOP 2012

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Yemen, PN peer review minutes (project development team [PDT] members – PDT meeting, 10 September 2007)

Rwanda, Internal review for the KWAMP Project, March 2008

Rwanda, QE panel report, KWAMP, March 2008

Brazil, Management assessment template, May 2008

Viet Nam, External review by the World Bank for COSOP 2008

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Viet Nam, Management assessment template of COSOP 2008

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Rwanda, Country programme performance review, 28 September 2011

Nigeria, Minutes of Country Programme Management Team meeting, Abuja, 15 February 2012

China, Comments on China COSOP and responses, September 2012

Viet Nam, External review by the World Bank for COSOP 2012

Viet Nam, External review by FAO for COSOP 2012

Viet Nam, In-house peer review of COSOP 2012

Viet Nam, Management assessment template of COSOP 2012

**Executive Board verbatim records**

Kenya, Rwanda and United Republic of Tanzania, Ninety-first Session, September 2007

Mali and Yemen, Ninety-second Session, December 2007

Brazil, Ninety-fourth Session, September 2008

Nigeria, Ninety-ninth Session, April 2010

Bangladesh and Viet Nam, 105<sup>th</sup> Session, April 2012

**Annual Report on Results and Impact of IFAD Operations (ARRI)**

ARRI 2008

ARRI 2009

ARRI 2010

ARRI 2011

**Regional portfolio reviews**

Asia and the Pacific, July 2010 – June 2010

East and Southern Africa, July 2010 – June 2010

Latin America and the Caribbean, 2010 – 2011

Near East, North Africa and Europe, 2010 – 2011

## **List of persons met (at time of writing)**

### **Members of the Executive Board**

Mr Shobhana Kumar Pattanayak, Evaluation Committee Chairman (India).

Dr Yaya O. Olaniran, IFAD Executive Board Director (Nigeria)

Ms Adair Heuchan, IFAD Executive Board Director (Canada)

### **IFAD Management and Officers**

Mr Kevin Cleaver, Vice-President, Programmes

Mr Carlos Seré, Chief Development Strategist, Office of Strategy and Knowledge Management (SKM)

Mr Luciano Lavizzari, Director, IOE

Mr Ashwani Muthoo, Deputy Director, IOE

Mr Ides de Willebois, Director, West and Central Africa Division (WCA)

Mr Périn Saint Ange, Director, East and Southern Africa Division (ESA)

Mr Gary Howe, Director, Strategic Planning Division, SKM

Mr Thomas Elhaut, Director, Statistics and Studies for Development Division, SKM

Mr Nigel Brett, Officer-in-Charge, Asia and the Pacific Division (APR)

Mr Abdelhamid Abdouli, Officer-in-Charge, Near East, North Africa and Europe Division (NEN)

Mr Cheikh Sourang, Senior Programme Manager, SKM

Mr Shantanu Mathur, Head, Management Support Unit, Policy and Technical Advisory Division

Ms Atsuko Toda, Country Programme Manager (CPM) Nigeria, WCA (Skype interview)

Mr Ronald Hartman, CPM Indonesia, APR

Mr Claus Reiner, CPM Mozambique, ESA

Mr Ladislao Rubio, CPM Nicaragua, Latin America and the Caribbean Division (LAC)

Mr Omer Zafar, CPM Yemen and Jordan, NEN

Mr Sana Jatta, CPM China, APR

Mr Paolo Silveri, CPM Argentina, LAC

Mr Abdul Barry, former CPM Nigeria, WCA

Mr Edward Heinemann, former CPM Zambia, SKM

Mr Vincenzo Galastro, CPM Niger, WCA

Mr Ivan Cossio, CPM Brazil, LAC

Ms Mylene Kherallah, Senior Technical Advisor, Policy and Technical Advisory Division

## Definition of the evaluation criteria used by IOE

| Criterion   | Definition <sup>a</sup>  |
|---|--|
| <b>Project performance</b>  |  |
| Relevance   | The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design in achieving its objectives.   |
| Effectiveness   | The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.  |
| Efficiency  | A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.  |
| <b>Rural poverty impact<sup>b</sup></b>   | Impact is defined as the changes that have occurred or are expected to occur in the lives of poor rural people (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.  |
| <ul style="list-style-type: none"> <li>Household income and assets</li> </ul>                           | Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.  |
| <ul style="list-style-type: none"> <li>Human and social capital and empowerment</li> </ul>              | Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, and the individual and collective capacities of poor people.  |
| <ul style="list-style-type: none"> <li>Food security and agricultural productivity</li> </ul>           | Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.   |
| <ul style="list-style-type: none"> <li>Natural resources, the environment and climate change</li> </ul> | The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment. It also assesses any impacts projects may have in adapting to and/or mitigating climate change effects.          |
| <ul style="list-style-type: none"> <li>Institutions and policies</li> </ul>                             | The criterion relating to institutions and policies is designed to assess changes in the quality and performance of the institutions, policies and regulatory frameworks that influence the lives of poor people.  |
| <b>Other performance criteria</b>   |  |
| <ul style="list-style-type: none"> <li>Sustainability</li> </ul>  | The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.   |
| <ul style="list-style-type: none"> <li>Innovation and scaling up</li> </ul>                             | The extent to which IFAD development interventions: (i) have introduced innovative approaches to rural poverty reduction; and (ii) have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and other agencies.  |
| <ul style="list-style-type: none"> <li>Gender equality and women's empowerment</li> </ul>               | The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support and evaluation of IFAD-assisted projects.   |
| <b>Overall project achievement</b>  | This provides an overarching assessment of the project, drawing on the analyses made under the various evaluation criteria cited above.  |
| <b>Performance of partners</b>  | This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle. |
| <ul style="list-style-type: none"> <li>IFAD</li> <li>Government</li> </ul>                              |  |

<sup>a</sup> These definitions have been taken from the Organisation for Economic Co-operation and Development/Development Assistance Committee *Glossary of Key Terms in Evaluation and Results-Based Management* and from IFAD's *Evaluation Manual: Methodology and Processes* (2009).

<sup>b</sup> The IFAD evaluation manual also deals with the 'lack of intervention'. That is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention 'not applicable') is assigned.

## Benchmarking common elements in country strategy between IFAD and other organizations

|   | IFAD | World Bank | ADB | AfDB | IDB |
|---|------|------------|-----|------|-----|
| Lessons from past experience in the country   | ✓    | ✓          | ✓   | ✓    | -   |
| Government development plan   | ✓    | ✓          | ✓   | ✓    | ✓   |
| Country strategic framework<br>(Comparative advantage, strategic objectives, opportunities for innovation and scaling up, targeting strategy and policy linkages) | ✓    | ✓          | ✓   | ✓    | ✓   |
| Target group identification   | ✓    | ✓          | ✓   | ✓    | ✓   |
| Baseline poverty analysis   | ✓    | ✓          | ✓   | ✓    | ✓   |
| Sectoral priority   | -    | ✓          | ✓   | ✓    | ✓   |
| Rural poverty and agriculture/rural-sector issues   | ✓    | ✓          | ✓   | ✓    | ✓   |
| Country strategy management/monitoring  | ✓    | ✓          | ✓   | ✓    | ✓   |
| Complementary donor initiative/partnership potential  | ✓    | ✓          | ✓   | ✓    | ✓   |
| Knowledge management and communication  | ✓    | ✓          | ✓   | ✓    | ✓   |
| Financing framework   | ✓    | ✓          | ✓   | ✓    | ✓   |
| Risk identification and management  | ✓    | ✓          | ✓   | ✓    | ✓   |
| Results management framework/matrix   | ✓    | ✓          | ✓   | ✓    | ✓   |
| Baseline poverty analysis   | ✓    | ✓          | ✓   | ✓    | ✓   |
| Organizations matrix (SWOT analysis)  | ✓    | -          | -   | ✓    | -   |
| Completion report of previous country strategy  | -    | ✓          | -   | -    | -   |
| Previous results management framework (summary of key results)  | ✓    | -          | -   | -    | -   |
| CPE agreement at completion point   | ✓    | -          | -   | -    | -   |

Note: AfDB: Country Strategy Paper; ADB: Country Partnership Strategy and Country Operations Business Plan; IDB: The Bank's Country Strategy; IFAD: COSOP and RB-COSOP; World Bank: Country Assistance Strategy.

### Sources:

AfDB: Uganda Result-Based Country Strategy Paper 2011-2015 (2010); Angola 2011-2015 Country Strategy Paper and 2010 Country Portfolio Performance Review (2011); Seychelles Country Strategy Paper 2011-2015 (2011).  
 ADB: Azerbaijan Country Operations Business Plan 2012-2014 (2012); Bangladesh Country Operations Business Plan 2013-2015 (2012); Kazakhstan Country Partnership Strategy 2012-2016 (2012); Viet Nam Country Partnership Strategy 2012-2015 (2012).  
 IDB: IDB Country Strategy with Mexico 2010-2012 (2010); IDB Country Strategy with Peru 2012-2016 (2012).  
 IFAD: Arab Republic of Egypt RB-COSOP (2012); Socialist Republic of Viet Nam COSOP (2012).  
 World Bank: Country Assistance Strategy for the Republic of India 2009-2012 (2008); Country Assistance Strategy for the Republic of Uganda 2011-2015 (2010).  
 Guidebooks: ADB, ADB Country Strategy and Program, in *Unpacking the ADB: A Guide to Understanding the Asian Development Bank*; IFAD, Updated Guidelines and Source Book for Preparation and Implementation of an RB-COSOP (2011).

## RB-COSOP implications of recent IFAD policies and strategies

### Knowledge Management Strategy (2007)

#### Within the country programme cycle

At the country level, three major processes will be strengthened or scaled up to improve impact through knowledge-sharing and learning: (i) the project cycle will be retooled to integrate knowledge management throughout; (ii) a knowledge-based policy development process will be tested; and (iii) specific local learning activities will be scaled up.

Within the country programme, articulated through results-based COSOPs, better knowledge management should help improve programmes by delivering better country programme design, better project design and better implementation support – three key performance indicators in support of development effectiveness targets. Innovation, learning and scaling up together form one of IFAD's six principles of engagement, which apply to all IFAD country programmes: knowledge management is central to this agenda. In this respect, the COSOP articulates IFAD's Knowledge Management Strategy relative to country-level objectives, and provides a platform to ensure that knowledge is fed back into corporate-level knowledge management processes. Above all, it will ensure that local knowledge and experience are effectively mobilized in IFAD's country-level policy dialogue, programme implementation and programme development work. Learning and knowledge-sharing will be improved by mainstreaming knowledge management at the country level using the revised framework for results-based COSOPs. Reporting on knowledge management activities will be part of the COSOP review exercise. (*Knowledge Management Strategy*, pp. 17-18)

#### Results framework for Knowledge Management Strategy

| <i>Expected results</i>   | <i>Baseline</i>  | <i>Three-year objective</i>  |
|---|--|--|
| <b>Systematic knowledge-sharing and learning within the country programmes. Knowledge gained from implementation shared to improve programme effectiveness and influence policies</b> | <ul style="list-style-type: none"> <li>• COSOPs do not systematically provide for knowledge management</li> <li>• Design missions do not systematically use Learning Notes</li> <li>• Lessons from design and implementation are not systematically captured and shared</li> <li>• M&amp;E does not adequately provide for learning at project level or beyond</li> <li>• Learning Notes are updated irregularly, and are not used systematically in all stages of the project cycle</li> <li>• Experience from programme implementation is not systematically used to influence policies</li> </ul> | <ul style="list-style-type: none"> <li>• Knowledge management is mainstreamed in results-based COSOPs in accordance with results-based COSOP guidelines</li> <li>• Design missions for all programmes systematically use Learning Notes as part of their terms of reference and feed new lessons and insights back into them</li> <li>• For selected, thematically focused activities (for example, rural finance), lessons are captured through supervision and review reports and key lessons disseminated through Learning Notes, regional and thematic networks and the Rural Poverty Portal</li> <li>• M&amp;E is strengthened to provide for learning using M&amp;E project guidelines and other tools</li> <li>• Learning Notes are regularly updated, and systematically used by design, supervision and policy support missions; feedback on lessons and insights from those missions is incorporated into Learning Notes</li> <li>• IFAD in-country policy dialogue is systematically informed by programme experience and sound development research</li> </ul> |
| <b>Initiatives to value and stimulate local knowledge are consolidated and scaled up to inform country programmes</b>   | <ul style="list-style-type: none"> <li>• Various local knowledge initiatives are conducted in isolation and with limited perspective for scaling up</li> </ul>   | <ul style="list-style-type: none"> <li>• Local knowledge initiatives are further developed and scaled up (for example, Linking Local Learners, indigenous knowledge) in 10 country programmes</li> </ul>   |



## Innovation Strategy (2007)

**Planning and implementing the scaling up of innovations in RB-COSOPs.** Key partners in scaling up are governments, other IFIs, bilateral donors, other Rome-based agencies and other agencies in the 'One United Nations' framework. Opportunities for engagement on this front can be scouted and facilitated at the global level and through support to RB-COSOP teams. At the global level, opportunities include involving the Sustainable Agriculture and Rural Development initiative, managed by FAO, in the IFAD innovation network, in joint knowledge management on innovation, and in joint policy dialogue on the challenges of sustainability and climate change. Other possibilities for scaling up innovations in the One United Nations framework include joint research, funding and advocacy – with FAO and the World Food Programme – for complementary activities on the continuum from emergency relief to recovery and development. (*Innovation Strategy*, p. 17)

### How does the strategy strengthen RB-COSOP and project processes?

**RB-COSOP preparation.** Under the strategy, country teams will be able to draw on a range of innovation services during RB-COSOP preparation. For instance, scouting services can identify consultants/facilitators who can join design teams and facilitate mapping of challenges and opportunities, in the process also building the capacity of team members to undertake such efforts in the future without external input, and deepening their understanding of rural poverty from the perspective of poor people. Consultants identified through scouting services may also support policy dialogue processes in RB-COSOP development, as well as negotiation of partnerships to promote policy research and innovation that address challenges faced by poor rural people. This will strengthen RB-COSOPs as tools to achieve increased IFAD development effectiveness by ensuring that they: ground their strategic objectives in the priorities of poor rural people; identify suitable entry points for policy dialogue; and rely on a broad group of operational and policy partners, including non-traditional partners such as private-sector businesses. Finally, RB-COSOPs now must identify areas and methodologies for innovation and scaling up. Under the strategy, the identification of this innovation agenda will be facilitated through scouting of research and development grants by IFAD or others, as well as of innovations generated by farmers, the private sector, and civil society organizations. The innovation agenda of each programme will include scaling up through loan investments of solutions introduced through the grants programme, adaptation and further testing of solutions identified by the grants programme or by rural innovators, and/or creation of new practices that must be field-tested. A better definition of the innovation agenda of each programme through the activities envisioned in this strategy will also enable country teams to seek funding of innovative activities through the PBAS, from grant resources in IFAD or from other donors, or through sponsorships with civil society and private-sector venture capital. (*Ibid.*, 28)

## IFAD Climate Change Strategy (2010)

**Country strategies.** COSOPs are increasingly reflecting new thinking about how climate change is altering the development context for IFAD's partners. But we can go further in ensuring that expertise is available to do this systematically.

Potential questions to be addressed in COSOP design are: (i) what are the latest available estimates of climate impacts on poor rural people – particularly on IFAD's partner communities – using disaggregated impacts (e.g. sex-disaggregated impact data if available); (ii) how could national poverty and climate change plans guide the choice of investments; (iii) are there any overall estimates on climate-related risk to the existing and planned portfolio; (iv) are there any areas for potential IFAD support that could generate rewards for the mitigation actions of smallholders; (v) what has been IFAD's past experience, comparative advantage and value added on climate-related work in the country and what is its potential for scaling up; and (vi) what climate-related activities could be incorporated into IFAD-supported projects and policy advice.

### How will IFAD achieve this?

- Enhanced stock-taking of current, relevant natural resource management work in country and regional programmes, which can provide lessons and be expanded and scaled up;
- Greater capacity for systematic and enhanced participation of relevant climate and environment expertise in country programme management teams and missions;
- Deeper integration of climate analysis into environment and social assessment tools – i.e. expand the scope of analysis to more fully include climate change questions. This process will feed into any potential enhancements of environment and social assessment procedures in our environment and natural resource management policy;
- Factoring emerging knowledge on climate change into COSOP midterm reviews; and
- Inclusion of climate-change threats and opportunities in subsequent revisions to the guidelines for results-based COSOP (RB-COSOP) formulation.

(*IFAD Climate Change Strategy, p. 20*)

### Private-Sector Strategy (2011)

#### Use COSOPs more systematically

IFAD will use COSOPs more systematically as the main tool to consult with private-sector stakeholders. The current COSOP preparation process provides an appropriate forum for more-systematic engagement with the private sector. Through the internal COSOP review process, IFAD will ensure that, to the extent possible, all COSOPs include systematic consultations with the appropriate private sector. COSOP consultations should provide an ideal platform for policy dialogue on a supportive business environment, to build partnerships, and to identify needs and gaps for pro-poor, rural private-sector development. For example, in October 2011, in preparing the new COSOP of Viet Nam, IFAD organized a discussion forum in Hanoi focusing on building partnerships and sharing innovative ideas for working with the private sector. During the forum, in which several of the multilateral and bilateral development organizations operating in Viet Nam participated, lessons learned and best practices in supporting private-sector engagement were discussed, and innovative financial tools and implementation arrangements were presented and debated. (*Private-Sector Strategy, p. 18*)

#### Results management framework for Private-Sector Strategy

| Strategic themes   | Indicators   |
|--|--|
| • Use COSOPs more systematically to engage with private-sector stakeholders  | All new RB-COSOPs systematically include private-sector entities as stakeholders – for consultation and/or potential partnership   |
| • Increase use of loans and grants in support of public/private partnerships | 20 per cent of all new loan projects or grants include the private sector as a partner or recipient<br><br>2009 revised grant policy is reviewed and expanded to ensure broader engagement with the private sector |
| • Support a better rural business environment                                | 50 per cent of IFAD projects, programmes or RB-COSOPs with a significant private-sector component include policy dialogue for a better rural business environment related to the IFAD intervention                 |

Source: Private-Sector Strategy, p. 26.

## Environment and Natural Resource Management Policy (2012)

**Strategic objective.** Environment and natural resource management (ENRM) scaled up and systematically integrated into country strategies and programmes.

IFAD will build the capacity of country programmes to respond more systematically to increasing demands from clients for help and innovations in climate change and sustainable NRM. It will ensure that financing fosters supportive national and regional policy environments, creating enabling conditions for the delivery of sustainable ENRM policies. In common with IFAD's approach to climate change, this means ensuring the right toolkit in the early stages of country programme and project design, rather than as an overly compliance-driven approach in the final approval stages for RB-COSOPs and for programmes and projects. In some cases, it also means more engagement – together with others – in efforts by partner governments to improve their local and national policies.

**Country strategies.** RB-COSOPs are a key entry point for upstream analysis and assessment of how IFAD can help partners manage natural resources sustainably and respond to climate change. They are increasingly reflecting new thinking on these issues, but IFAD can go further in ensuring that expertise is available to do this systematically. A priority of RB-COSOPs will be to support national priorities on ENRM (such as ecosystem-based approaches) as reflected in poverty reduction strategy papers, relevant international guidelines, codes of conduct and relevant national strategic frameworks (e.g. national adaptation programmes of action, national action plans/programmes, etc.). The latter include sustainable national development strategies, climate change strategies, civil society activities and the encouraging of policy dialogue among all stakeholders. Efforts will be made to increase the number of strategic environmental assessments in order to inform country policies and strategies. (*Environment and Natural Resource Management Policy*, p. 33)

## Partnership Strategy (2012)

The results framework for the IFAD9 period also includes a new indicator on partnerships, as part of its assessment of the operational effectiveness of country programmes and projects. (*Partnership Strategy*, p. 2)

The 2011 CLE of IFAD's Private-Sector Strategy found ... that almost all of the country strategic opportunities programmes reviewed provided information about partnership opportunities with the private sector and there were some examples of cofinancing by the private sector at the project or component level. However, it also noted that partnerships with other development agencies in support of private-sector development were quite limited. (*Ibid.*, 5)

### IFAD's strengths, weaknesses, opportunities and threats

The findings of IOE and the Brookings Institute, the views of external partners expressed through the partnership survey and elsewhere, a benchmarking exercise, and a series of interviews and focus group meetings conducted during the preparation of this strategy document, have together served to offer up a well-defined picture of IFAD's partnership performance. On the basis of these sources, IFAD's strengths, weaknesses, opportunities and threats (SWOT) relative to partnerships have been synthesized, and these provide an important starting point for the development of an IFAD partnership strategy rooted in institutional realities.

The SWOT analysis brings out a number of interesting points for IFAD's developing partnership strategy and provides insight into how IFAD might best proceed in order to optimize the use of its resources in partnering. At this stage it is worth highlighting two of these: IFAD 'brand awareness' and IFAD's management and monitoring of ongoing partnerships. With regard to the former, it appears that although IFAD enjoys a good reputation in many areas for its consistency and long-term vision, there are still problems in distinguishing the value of working with IFAD rather than other development agencies. In a context of growing competition between funding agencies, there will be a premium on

IFAD's ability to develop a distinctive vision of the value it offers and to communicate this to its potential partners.

The latter issue – of managing and monitoring partnerships – requires a change both of mindset and of systemic practice. Attitudinally, IFAD should maintain a focus on the partnerships it establishes, recognize the value of learning from past and current partnerships and share learning more freely within the organization. Systemically, monitoring and review must be more proactive and to be seen as an integral part of managing ongoing partnerships so that they are able to evolve and prosper. (*Ibid.*, 9-11)

**Partnerships to serve strategic priorities**

At the highest level, partnerships must serve to support the achievement of IFAD's overall strategic goal: enabling poor rural people to improve their food security and nutrition, raise their incomes and strengthen their resilience. More specifically, they must support the corporate strategic priorities that are expected to contribute to the achievement of that goal, and are reflected through a series of organizational-level results – corporate management results (CMRs). There are currently 10 such CMRs. Defining partnerships in this way provides strategic guidance to IFAD's partnership work and ensures that it is focused on what the organization has already determined are its highest priorities; it provides a framework for monitoring partnership efforts and, at the same, it reinforces the coherence of, and linkages between, different corporate strategies and tools. (*Ibid.*, 12)





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