Non-lending Activities in the Context of South-South Cooperation Evaluation Synthesis

Executive summary

A. Background

1. The "Framework of operational guidelines on United Nations support to South-South and triangular cooperation" (2012) suggested the definition of South-South cooperation (SSC) as "a process whereby two or more developing countries pursue their individual and/or shared national capacity development objectives through exchanges of knowledge, skills, resources and technical know-how, and through regional and interregional collective actions, including partnerships involving Governments, regional organizations, civil society, academia and the private sector, for their individual and/or mutual benefit within and across regions". The term "triangular cooperation" (TrC) is used when Southern-driven partnerships between two or more developing countries are supported by a developed country (or countries) or multilateral organization(s) to implement development cooperation programmes and projects.

2. There is general consensus in the international community that SSC and TrC have now become important elements of development cooperation. The recognition of the role of SSC and its rationale are closely associated with the overarching notion of development effectiveness, now also acknowledged as an important pillar for the implementation of the 2030 Agenda for Sustainable Development (Agenda 2030) and the achievement of the Sustainable Development Goals.

3. Based on a request by IFAD Member States during the Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10) and in line with the 2015 work programme and budget of the Independent Office of Evaluation of IFAD (IOE) approved by the Executive Board, IOE has prepared this evaluation synthesis report (ESR) on "non-lending activities in the context of South-South cooperation".

4. **Terminology.** In various literature and documents of the United Nations and development agencies, the following terms and acronyms are used somewhat interchangeably: "SSC", "TrC", and – less commonly – a combination of both: "South-South and Triangular Cooperation (SSTC)". For conceptual clarity, it is important to distinguish between SSC and TrC: IFAD supports, facilitates or brokers SSC or sometimes even TrC, but it could be somewhat confusing to say that IFAD supports or leverages "SSTC". As a tribute to the country-led character of this cooperation form, this ESR will mainly use the term SSC.

B. Evaluation synthesis objectives and approach

5. **Objectives.** ESRs are intended primarily to promote learning, to enhance general understanding of a particular topic and to highlight strategic issues for consideration by IFAD Management and its governing bodies. This ESR has the following two key objectives: (i) review and analyse the experiences of IFAD-supported SSC initiatives, mainly through non-lending activities; and (ii) identify key issues and lessons learned for reflection and make recommendations for enhancing IFAD's approach to support SSC.

6. **Coverage.** This ESR covers IFAD's support to SSC mainly through non-lending activities (mostly grant-financed projects), which has been primarily in the form of knowledge-sharing and mutual learning. The ESR undertook an in-depth

review of nine selected SSC initiatives that are considered to be relatively programmatic. Despite the title "non-lending activities", two initiatives under two loan-financed projects were deliberately included in the selection. Both are examples of a programmatic and structured approach to SSC (even if they were not labelled as such), compared to other examples under loan-financed projects, which may have involved one-off exchanges and/or were limited in scope. The other seven initiatives were supported by a total of 19 grants.

7. **Methodology.** In general, ESRs are based on qualitative analyses of existing evaluation material. During the preparatory work for this ESR, existing evaluations on SSC provided insufficient material to reflect upon the key guiding questions. Consequently, it was decided to introduce additional measures. First, the SSC perspective was specifically incorporated into selected IOE evaluations undertaken in 2015: the Brazil and Turkey country programme evaluations and a project performance assessment of a loan-financed project in Mauritania. Second, the ESR team undertook an in-depth review of nine selected SSC initiatives based on a desk review and interviews with key stakeholders.

8. The key questions that guided the ESR related to: (i) country ownership; (ii) relevance for IFAD's business model; (iii) effective implementation of IFAD-supported SSC initiatives; (iv) sustainability of SSC initiatives; and (v) contribution to the global SSC agenda.

9. **Limitations.** As a general point, ESRs – which focus on learning and are not full-fledged evaluations – are conducted with a limited budget, are based on a desk study, and are carried out in a shorter time period as compared to corporate-level evaluations (CLEs). Furthermore, the initiatives and activities covered/reviewed for this ESR are unlikely to be exhaustive due to a lack of conceptual clarity at the Fund on what kind of activities and initiatives should be considered as support to SSC and what kind should not.

C. South-South cooperation in the global context

10. Although the term SSC is relatively new, its roots go back to the 1950s, where it was associated with the notion of solidarity, non-interference and the Non-Aligned Movement in the context of the Cold War. Accelerated by economic and social progress, developing countries have expanded their demand for and supply of SSC. Over the past years, global policymaking on development cooperation has paid particular attention to SSC and TrC as expanding cooperation forms. Alongside the desire of emerging economies and middle-income countries (MICs) to play a more proactive role in global development, conventional donors and multilateral organizations, in times of shrinking official development assistance budgets, have shown interest in supporting these Southern-led efforts.

11. Although most SSC focuses on technical aspects (e.g. technical assistance and knowledge-sharing), financial cooperation and South-South trade and investment have gained in prominence for a number of wealthier emerging economies. While recognizing the diversity of SSC in different contexts, this ESR will focus on technical dimensions, also given that IFAD's support to SSC has been mainly in the form of knowledge-sharing.

D. IFAD's support to South-South cooperation

12. **IFAD's position on SSC.** At IFAD, in response to the increasing demand from its Member States, SSC appeared as an explicit corporate agenda item around 2008 in the context of the Eighth Replenishment of IFAD's Resources (IFAD8). Initially it was used as an avenue to enhance IFAD's work with MICs, particularly by supporting MICs' efforts to share knowledge with other countries. At the same time, it is a generally shared view that IFAD was already de facto supporting

some SSC initiatives, mainly in the form of knowledge-sharing and mutual learning (although they may not have been labelled as such).

13. IFAD has not had a specific policy or strategy for its support to SSC or TrC. In the context of IFAD9, in 2011, IFAD prepared the first official document focused on such activities, "South-South cooperation in IFAD's business model". It emphasized the aspect of knowledge management in pro-poor rural development in connection with SSC. After the first explicit reference IFAD8, SSC remained high on the agenda in the subsequent two replenishment cycles (IFAD9 and IFAD10), both of which included commitments to promoting support to SSC.

14. **Corporate structure and initiatives.** Currently the main responsibilities for promoting and coordinating the SSC agenda fall under the Strategy and Knowledge Department (SKD). SKD organized a number of events at headquarters to discuss experiences, lessons and the way forward, including an in-house learning event held in September 2014 and a round-table discussion in July 2015. Outside IFAD, SKD has facilitated the participation of IFAD staff and project stakeholders in the Global South-South Development Expos. SKD is a focal point for inter-agency work on SSC among the Rome-based agencies (RBAs).

15. Regardless of the role and mandate of SKD, it is evident that the Programme Management Department (PMD) should be in the operational frontline for mainstreaming SSC into IFAD's portfolio. So far, approaches for interdepartmental collaboration between SKD and PMD to pursue this corporate agenda in a more structured manner are not entirely clear. Another unit that has a role to play is the Partnership and Resource Mobilization Office (PRM), in terms of mobilizing resources "to substantially expand its engagement" in SSC, in line with the Report of the Consultation on the Tenth Replenishment of IFAD's Resources.

16. **Typologies of IFAD-supported SSC initiatives**. IFAD's support to SSC can be grouped into three categories: category I - mutual learning and horizontal SSC, mainly financed by regional grants (e.g. farmer-to-farmer support or exchanges between practitioners, other service providers or government staff/policy makers around rural development solutions and policy influence); category II - the SSC provider-led model to contribute to strengthening the capacities of some MICs that are interested in sharing knowledge, often financed by country grants; and category III - the solution-seeker-driven model, often manifested in the demand for concrete solutions to specific issues encountered in investment projects. Each category has distinct strategic and operational implications.

17. Closely linked to the discussion on different categories of IFAD-supported SSC is the need to distinguish two types of "demand for SSC". The demand for SSC has been mentioned in various corporate documents without a clear distinction between different underlying motives and expectations. The two types can be summarized as: (i) the demand by MICs to receive support for building and expanding their SSC efforts, and packaging and sharing their knowledge, although they may also be interested in learning from others; and (ii) more general demand for learning from and with others – not necessarily expressed as demand for SSC, but rather as demand for "Southern development solutions".

18. IFAD has supported numerous projects and initiatives in support of knowledge-sharing and management, including regional knowledge networks financed by grants or regional implementation workshops that bring together project staff. They are seen as important ways for different IFAD projects (as well as IFAD Country Offices [ICOs]) to network with each other and could provide opportunities for specific knowledge exchange, but they do not constitute SSC in their own right. Furthermore, grants to international agricultural research

institutions that IFAD has long financed are not necessarily or automatically a form of country-led SSC.

19. **Overview of grant-financed projects with SSC elements.** SSC support by IFAD has mainly taken the form of knowledge-sharing, with the more programmatic initiatives often financed through grants. The majority of these initiatives have supported mutual and horizontal SSC embedded in regional and subregional processes with regional/global grants, and occasionally country grants to support emerging economies in capturing and sharing knowledge.

20. The majority of SSC modalities under these grants were field visits and conferences/workshops. In many grants, an important element was policy dialogue, mainly at country level (but also at regional level in some instances) based on knowledge-sharing and peer-to-peer learning. Key actors directly involved in South-South knowledge-sharing include smallholder farmers and their organizations, for example through learning routes, the MERCOSUR Specialized Meeting on Family Farming (REAF) and the Support to Farmers' Organizations in Africa Programme (SFOAP). Others include government officials, IFAD-financed project staff, agriculture research institutions, central banks and financial institutions.

E. Main findings

21. **Country ownership.** With country and regional grants in support of SSC, IFAD responds to two levels of country ownership. On the one hand there are central government institutions, particularly ministries of agriculture, and occasionally other line ministries and ministries of foreign affairs. This is especially the case for grants to some of the MICs interested in providing SSC, such as Brazil and China; on the other hand there are grass-roots organizations such as farmers' organizations.

22. Alignment with specific national public policies for agriculture tends to be more explicit where SSC is embedded in partnerships with bigger SSC providers, compared to where regional approaches are taken. As for support to the SSC provider-led model, so far only a few steps have been taken to align to government strategies or priorities for SSC. National policies and strategies related to SSC are usually led by ministries of foreign affairs and their dedicated cooperation agencies, which are not immediate partners of IFAD and sometimes do not have an agile relationship with sector-level implementation partners, let alone with rural poor people.

23. IFAD's responsiveness to the demand of its main target group (rural poor people) and other partners to learn constitutes a key value of IFAD's SSC support. At a broad level, such demand is often addressed in IFAD's support to mutual learning on a subregional or regional scale. In the context of specific investment projects, the demand would be for relevant solutions regardless of where they come from – not necessarily expressed as "demand for SSC". On the supply side, country grants support a number of emerging economies in capturing and sharing their rural development solutions. Both demand and supply are critical to successful SSC, but need to be fully anchored in the needs and potential of the rural poor. In many cases, without structured frameworks or mechanisms, linking demand with supply has tended to depend on the knowledge, networks and proactivity of IFAD staff (also from ICOs where one exists) or consultants and other partners, to identify and broker possible SSC solutions.

24. Regional grants broker country-led solutions among rural champions around priorities immediately relevant to regional, national and institutional processes. IFAD's support to SSC contributes substantially to expanding the scope and quality of ready-to-use knowledge emerging from the rural context, with particular focus on rural champions and on-the-ground practitioners.

25. **Relevance to IFAD's business model.** By focusing on rural champions, SSC supported by IFAD has followed in spirit and practice the overarching goal of the IFAD Strategic Framework 2011-2015, which aimed at "enabling poor rural people to improve their food security, raise their incomes and strengthen their resilience". IFAD's capacity to mobilize, connect and broker among rural poor people and other field-level rural actors benefits from the long-term character of its operations. In other words, IFAD-supported SSC not only draws on financial and human resources and corporate structures, but builds on existing partnerships and networks.

26. Strategic mainstreaming of SSC into country programmes remains incipient, but there is a clear awareness that SSC can accelerate the impact of IFAD-financed projects, and should therefore be integrated into operations more consistently. Most examples of SSC reported by IFAD in the past in official documents are financed through grants; available information indicates that many SSC examples under loan-financed projects tend to be one-off study tours and exchange visits, rather than part of programmatic and strategic interventions geared towards the fulfilment of objectives of country programmes and projects.

27. **Effective implementation**. In terms of planning and implementation, IFAD's support to SSC falls into two groups: initiatives specifically promoting SSC as the main focus (e.g. learning routes, Brazil Innovation MarketPlace), and cases where SSC is being used under larger programmes, grants (e.g. REAF, SFOAP) or investment projects (e.g. Mauritania). As for the latter group, most of the cases reviewed have incorporated the SSC angle progressively during their project implementation, without having designed this element in a systematic manner.

28. SSC-centred grants (i.e. initiatives specifically promoting SSC as the main orientation) are mainly output-oriented, e.g. number of workshops held. Where SSC is integrated into larger projects, there is an advantage of direct connection of SSC activities to broader development objectives, but there is no structured approach to documenting the contribution of SSC. Even where SSC has become a visible project component (e.g. current phases of REAF and SFOAP), the underlying rationale on the potential and desired impact of SSC is vague at best. Often SSC-oriented initiatives (especially SSC-specific grants) have been planned and are implemented based on actions, rather than with a view to actual changes to be achieved.

29. With knowledge-sharing being the central instrument of IFAD-supported SSC, most of the activities are conducted in modalities such as field visits, study tours and workshops. These are mostly one-off events, although some initiatives have used medium-term exchange formats, e.g. through twinning arrangements. In addition, some initiatives, such as the learning routes, make substantial efforts to train trainers and foster rural champions through South-South learning, which could lead to broader and more sustainable outreach to, and empowerment of, rural communities. There are two key interrelated issues: how to increase the likelihood of individual participants influencing their institutions/organizations, and how knowledge-sharing can be pursued in a cost-effective manner.

30. IFAD is also involved in supporting the efforts of its partners to capture and document development experiences and solutions of rural champions. An advanced example can be found in the learning routes. Across initiatives, capturing and packaging knowledge is seen as a vital ingredient to broaden the scope and to create a stronger ground for sustainability.

31. Some of the examples reviewed in this evaluation synthesis show that IFAD-supported SSC is slowly moving into more structured approaches to SSC, which ultimately help focus on demand rather than supply, strengthen results orientation and deepen learning about what works and what does not in supporting and facilitating South-South knowledge-sharing from the Fund's end.

32. **Sustainability**. The issue of sustainability concerns the extent to which relevant solutions provided under SSC initiatives have been effectively transferred/adapted to and are being used by the receiving organizations/countries. When considering the issue of sustainability, it is important to take into consideration the "pilot" nature of many IFAD-supported SSC initiatives. This implies that knowledge shared may not be necessarily vetted for its quality or be well-packaged, and that solutions are not always fully transferred or translated into actions. It also means that results are assessed only in a fragmented way, and overall documentation of what happens after an exchange is concluded is largely absent, especially when SSC is pursued as a main objective and activity under grants.

33. While operational underpinnings are still blurry, it is already possible to identify a number of key elements that are crucial for ensuring that knowledge and technologies are transferred effectively and generate individual and institutional change that can be maintained, and even scaled up and deepened over time. These include: (i) the extent to which rural development solutions transferred are related to, or embedded in, broad policies directly affecting the rural poor; (ii) pre-existing partnerships and evolving networks; (iii) linkage with ongoing IFAD operations on the receiving side; (iv) replicability of South-South solutions within IFAD's core business; (v) structured approaches to share and exchange Southern development solutions offering more favourable prospects for sustainability; and (vi) coordination with other multilateral organizations, which not only contributes to leveraging additional resources, but also provides opportunities to link solutions and exchanges to processes supported by different partners and to facilitate scaling-up. In relation to the last point, collaboration with the RBAs around SSC is still incipient at corporate level as well as country level, but there are ongoing conversations in a number of cases.

34. Overall, planning, implementation and monitoring of SSC activities are still not sufficiently structured and oriented to results. This makes it challenging to have a strategic approach to enhance sustainability of benefits, let alone document the results and benefits. In the face of rising expectations among MICs and other Member States, it will be critical to find adequate tools to ensure that the solutions they want to share become effective contributions to medium- and long-term development processes elsewhere.

F. Conclusions

35. **SSC has been a high priority for IFAD and its Member States since IFAD8, but there has been lack of clarity in certain aspects**. First, IFAD has not clearly articulated main objectives, pathways to achieve the objectives or approaches for supporting different types of SSC (i.e. horizontal peer-to-peer learning, provider-driven SSC and SSC driven by solution seeker demand). For example, with respect to a small number of grants that IFAD has provided to some MICs mainly to better position them as SSC providers, their expected contribution and impact pathways leading to sustainable rural transformation tend to be vague at best.

36. Second, there is a varying understanding among IFAD staff and managers and among the Member States of what SSC is and implies for IFAD. At IFAD, SSC has traditionally been associated with knowledge-sharing and mutual learning, but the possibility of resourced MICs cofinancing IFAD-financed projects has also been discussed in relation to the SSC agenda. There was a reference to "investment promotion" in the IFAD10 report in addition to "knowledge-based cooperation" related to SSC, but so far no clarity has been provided on what this means in IFAD's context and for its programming and operations.

37. Third, it is not clear to what extent and how IFAD has pursued (or intends to pursue) SSC in a systematic and strategic manner while also promoting SSC

mainstreaming into country programmes. It is acknowledged that IFAD stepped up its attention to SSC during the IFAD9 period. However, the ESR did not find strong evidence that these activities have culminated in (or been guided by) a more coherent and strategic approach to SSC, or that clear staff incentives have been developed to proactively pursue and promote SSC.

38. **IFAD has supported SSC mainly in the form of knowledge-sharing and mutual learning among peers (category I)**. These initiatives have demonstrated the strengths of IFAD in supporting peer learning among rural champions and their allies. A relatively programmatic approach to supporting mutual learning has been taken mainly in the context of regional grants.

39. **In recent years IFAD has also provided a small number of grants to some of the MICs, with a focus on supporting them in capturing, packaging and sharing their experience (category II).** The experience with this type of support to SSC tends to be limited to larger emerging economies. The need to strategically reposition IFAD among a diverse group of MICs with differentiated services has been discussed since IFAD8 and this category II type of support is seen as one of the options to respond to the diversified needs of MICs. In these cases, however, expected results and impact beyond output level are usually not well articulated, and the ultimate goal and beneficiaries of such SSC support are not entirely clear.

40. This ESR confirms that **the main features and strengths of IFAD-facilitated SSC** are: (i) the **focus on rural poverty reduction and smallholder agriculture** based on IFAD's accumulated experience with global outreach; (ii) the **central role of the rural poor and grass-roots organizations** as the main providers and receivers of development solutions; (iii) its **long-term partnerships with multiple stakeholders**, in particular grass-roots organizations (e.g. farmers' organizations); and (iv) the prominence of a **regional perspective.**

41. Nonetheless, **there are opportunities for strengthening strategic mainstreaming of SSC into country programmes in a more structured manner**. Relatively programmatic SSC initiatives have been financed through (mostly regional) grants, but their linkages with overall country programmes are often not evident. Opportunities for sharing knowledge with others and learning from/with other Southern actors are not well reflected upon in country strategic opportunities programmes (COSOPs).

42. **Results orientation in planning and monitoring SSC activities tends to be weak**, with outputs (e.g. number of workshops or participants) often being the main focus of planning and reporting. This is evident in SSC-centred grants, or when SSC activities take place in the context of larger projects, where there is no structured approach to documenting the specific contributions of SSC.

43. **Opportunities for collaboration with RBAs around SSC have not been fully exploited at corporate or country level**. At corporate level, there is interest from all three agencies, and discussions are ongoing to improve collaboration in a pragmatic manner. At country level, specific opportunities would vary but might warrant more attention for consideration in the context of coordination of country programming.

44. Finally, beyond knowledge-based SSC, **there is demand for more diverse and alternative support for SSC**, especially from some of the MICs interested in expanding their SSC portfolio. Such support includes the use of SSC to map and disseminate opportunities for MICs and their private companies to invest in agricultural development in third countries. Some governments are also interested in co-investing in IFAD-financed projects in another country. Whether or not these would be the types/forms of SSC that IFAD should or would want to

promote under the "SSC" heading may merit reflection and clarity from a corporate perspective. In any case, it would be critical to ensure consistency with and contribution to IFAD's mandate.

G.   Recommendations

45.   While IFAD should ensure continuity of its current partnerships and activities around SSC, there are opportunities to support SSC in a more strategic, innovative and effective manner. Key recommendations for IFAD to consider are as follows:

46.   **Recommendation 1: Provide conceptual clarity and practical guidance at corporate level for IFAD's support to SSC.** A short document should be developed to clarify objectives, financing, operational pathways and staff incentives for integrating SSC, focused on knowledge-sharing in IFAD country programmes and using a differentiated approach. The document should also clarify what is considered to be SSC in the IFAD context and which support options the Fund will offer. Such clarification would be helpful given the strong push from Member States to do more on SSC and the varying expectations of those Member States. Since SSC is not an end in itself, based on its comparative advantage it is vital for IFAD to articulate what sort of SSC can enhance the impact of its portfolio and contribute to its mandate, and which areas are less important, or should even be avoided. This is also important in order to clarify the types of SSC support that should be reported on.

47.   **Recommendation 2: Better mainstream SSC into country programming through a structured approach**. This may involve more systematic and proactive assessments of countries' interest in sharing knowledge, and in exchanging with and learning from others regarding solutions to common development challenges in the context of country programmes. Such efforts should be accompanied by staff capacity-building to enhance their understanding of SSC and approaches to its mainstreaming.

48.   For instance, COSOPs might identify key areas of demand from the respective countries for South-South learning and potential Southern partners that may be able to share relevant experience and knowledge. Investment projects could consider opportunities for mutual learning from the design stage, while leaving room for needs that may emerge during implementation. South-South exchange, which may be supported through regional and global grants, can be linked to the country-level policy engagement agenda. IFAD should also track and monitor SSC activities and initiatives in grants and investment projects more systematically and with a stronger results orientation.

49.   **Recommendation 3: Systematically build up a catalogue of rural development solutions and provide a platform to make them accessible.** IFAD's role as a rural knowledge broker can be strengthened by enhancing the quality, quantity and accessibility of the knowledge it offers, in particular based on the wealth of experiences and solutions generated from Southern partners of IFAD-financed investment projects. This requires a solid operational framework and enhanced staff capacity for capturing, validating, packaging and making knowledge available in ways that ensure quality, relevance and adaptability.

50.   **Recommendation 4: Give consideration to greater in-house coordination arrangements and interdivisional collaboration.** Currently SKD is mandated to promote the SSC agenda in collaboration with PMD. PRM also has a role to play in terms of resource mobilization to support SSC mainstreaming, particularly through COSOPs. Given that PMD is the key player in mainstreaming SSC into country programmes and capturing knowledge from the field, consideration should be given to how SKD and PRM could best support these efforts.

51. **Recommendation 5: Continue pursuing opportunities to collaborate with the RBAs in a practical manner at corporate and country levels.** Continued interaction with the Food and Agriculture Organization of the United Nations and World Food Programme focal points for SSC could focus on quick wins, for instance through joint staff training, in-country pilots to capture knowledge, and information-sharing on strategic and operational approaches.