

## ISSUES PAPER

### NATIONAL ROUNDTABLE WORKSHOP SUDAN COUNTRY PROGRAMME EVALUATION

#### A. THE CONTEXT

1. In 2008, IFAD's Office of Evaluation (OE) undertook a country programme evaluation (CPE) in Sudan in order to: (i) assess the performance and impact of IFAD's country programme; and (ii) develop findings and recommendations that will serve as building blocks for the preparation of the new IFAD-Sudan cooperation strategy (i.e., the country strategic and opportunities programme or COSOP), which the Near East and North Africa Region (PN) of IFAD and the Government of Sudan (GOS) will prepare following the conclusion of the CPE.

2. This issues paper has been prepared as the main background document for discussion during the three working group sessions that will be organised at the CPE National Roundtable Workshop<sup>1</sup> which will be held in Khartoum on 25 and 26 February 2009. It draws upon the key findings and conclusions contained in the CPE report.

#### B. THEMES FOR DISCUSSION

3. Three main themes have been selected for reflection and debate by the workshop given their strategic importance to the future cooperation between the Government of Sudan and IFAD. These are:

##### **Theme I: Agriculture for Rural Poverty Alleviation in Sudan**

This theme will discuss the rationale for stronger involvement of IFAD in the agriculture sector, including the promotion of agricultural innovation. It will attempt to identify appropriate instruments and approaches for IFAD support to smallholder farmer productivity and competitiveness. The theme will also consider whether a more narrowly defined geographic concentration of future IFAD-funded interventions in Sudan is warranted.

##### **Theme II: The Role of IFAD in Policy Dialogue in Sudan**

Taking into consideration the results achieved by IFAD in promoting pro-poor policies within the context of loan-financed operation, participants will discuss the opportunities for stronger involvement of the Fund in policy dialogue activities at both the State and National levels to address factors hindering agricultural development and rural poverty reduction.

##### **Theme III: Enhancing Sustainability of Development Benefits**

The evaluation found that important benefits generated by IFAD-financed operations are at risk when projects come to an end and there are limited prospects for follow-up with internally generated resources. The strategic options available to IFAD for ensuring sustainability of its financed activities will be discussed.

4. Workshop participants will be divided into three working groups. Each group will discuss one theme only. Below is a presentation of the guiding rationale for discussion on the above theme, based on Sudan CPE evaluation findings. A set of guiding questions is proposed that would serve as entry points for discussion and to stimulate debate and exchange of views.

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<sup>1</sup> The main objective of the workshop is to discuss the key issues emerging from the CPE and to provide inputs for the preparation of the CPE's Agreement at Completion Point. The latter is a short document illustrating IFAD management's and the Government of Sudan's agreement on the evaluation findings, as well as their agreement to adopt and implement the CPE's recommendations within specified time frames.

## **Theme I: Agriculture for Rural Poverty Alleviation in Sudan**

5. Despite its rich endowment in natural resources, Sudan remains a low-income and food deficit country. The development of the oil sector in late 1990s resulted in double digit GDP growth rates. This masks the importance of the agricultural sector which still accounts for about 80 per cent of non-petroleum exports. It is estimated that about 70 per cent of Sudan population derive their economic livelihood from agriculture, mostly in the rainfed areas where IFAD is present. The irrigated sector has been receiving most agricultural investments, while the rainfed crop and livestock sectors, on which most of the rural poor depend for their livelihood, received the least. This situation has constrained opportunities for improving rural livelihoods.

6. IFAD remains today's largest donor in the Agriculture sector in the country, making the Fund a major partner in the current period of rising agricultural commodity and food prices. The Evaluation notes that components to strengthen rainfed agricultural services are explicitly present in only two out of the five ongoing IFAD projects, but subsumed under different components in all projects. Considering that support to smallholder agriculture is widely recognised as an effective strategy for inclusive growth and rural poverty reduction, a key lesson of this CPE is that IFAD strategy and activities in Sudan could further address the root causes of smallholder low productivity. Localities where basic services and infrastructure that have proved to support labour productivity and market access are available could be favoured.

7. The Evaluation also found that little technical innovation has been developed by research institutions that could be adopted by beneficiaries. Nevertheless, farmers are already beginning to experiment themselves in some areas such as more intensified use of manure. They could be assisted with technical advice for on-farm trials, with pastoralists assisted with corral systems for manure collection. While learning from experience and replication of successful interventions is important, so is identification of local opportunities and priorities. For example, in the Kordofan project areas, although the majority of cultivation is rainfed there are significant opportunities for seasonal irrigation adjacent to water courses. These are already being developed by farmers (particularly women), whose present system could be assisted by improved water lifting devices and water delivery.

8. A renewed focus on agricultural development raises the challenge of the most suitable targeting strategy for IFAD operations. The evaluation found that the vast geographic coverage of IFAD activities in Sudan raises coordination concerns and does not generate sufficient synergies within/across programmes. Greater geographic concentration could be sought to foster agricultural productivity and market linkages, while facilitating project supervision and overall programme management. The diverse agricultural environment in Sudan is at once a challenge and an opportunity in this regard.

9. The CPE recommends that IFAD further address the root causes of smallholder low productivity by focussing more on agriculture in the next COSOP. In today's environment of rising prices, the issues of value-chain marketing and market access require more consideration than these issues received in the past.

### ***Proposed Questions for Discussion***

- Given the comparative advantage of IFAD and the focus of other development organisations in Sudan, which agricultural sub-sectors could the Fund prioritise to enhance rural incomes and livelihoods? What are the agricultural sectors that show the highest concentration of poor smallholders but that also have the strongest potential for agricultural development?

- What instruments/approaches should be used by IFAD and its development partners to improve participation of smallholders in competitive value chains? How can access by small farmers to inputs including yield-enhancing technologies, finances and outputs markets be improved?
- What targeting strategy should be adopted by IFAD to ensure that poor smallholders would benefit from activities of value chain development?
- What are the criteria for defining a more restricted geographic focus of IFAD assistance in Sudan to maximise impact?
- What instruments should IFAD adopt to support adaptive research, extension and business advisory services? How can other donors be included in future operations to assist in the development of such instruments?

## **Theme II: The Role of IFAD in Policy Dialogue in Sudan**

10. The CPE notes that the COSOP did not fully capture the privileged status of IFAD at the time of its preparation in 2002, when IFAD remained among the few funding development agencies in Sudan. There was a missed opportunity for IFAD to more systematically follow-up on policy issues notably at the National levels. The Fund's policy dialogue efforts concentrated mainly at the project level. The lack of a consolidated country presence in Sudan restricted IFAD's engagement in the policy arena at the national level.

As mentioned above, most results at policy level have taken place within the project context. This comprises measures to improve access to land and water resources, the development of community organisations, or the promotion of gender equity. This is considered a positive characteristic of IFAD in Sudan and should be used for building forthcoming institutional and policy change objectives in the Results-Based COSOP. They also attest to IFAD's ability to influence policy, an aptitude which could well be exercised beyond the project context. Advances in policy dialogue since opening of the country office in 2005 demonstrate that IFAD can indeed play an important part in policy dialogue at all levels in Sudan.

11. In 2006, IFAD approved the Butana Integrated Rural Development Project (BIRD) which basically is a "policy project" piloting new ways of regulating access to land and water resources. While BIRD and other projects will provide IFAD and Government with valuable experiences on how to deal with access issues, more would probably be required if IFAD is to be a lead dialogue partner at both State and National level on these issues. The complexity and importance of these could require substantial additional human and financial resources for IFAD engagement. Also, better synergies should be created between grants for analysis and studies and policy dialogue objectives.

12. The CPE recommends to build on project-level policy dialogue initiatives that are currently being pursued and to scale up agricultural policy dialogue beyond the project level. This could be done by presenting a limited set of strategic themes for dialogue in the forthcoming Sudan COSOP, which are complementary to the overall strategic objectives to be defined for rural poverty reduction. Policy dialogue on a focused set of themes could then be enhanced and sustained through the life of the next COSOP through regular follow-up, analytic work and research activities.

### ***Proposed Questions for Discussion***

- Does IFAD have the appropriate instruments, resources and capabilities to engage in policy dialogue initiatives with Sudan authorities at State and National levels?

- What would be the best strategy to be pursued by IFAD in a context of autonomy of States vis a vis the federal Government in terms of policy formulation?
- To what extents are current arrangements of direct supervision and implementation support, and country presence likely to enhance the capacity of IFAD to engage in policy dialogue in Sudan?
- What are the policy themes and issues that IFAD should focus on regarding agricultural development and rural poverty reduction (e.g. Agricultural Pro-poor Innovation, Partnership, Sustainability, etc...)?
- What is the space available for IFAD and other donors to influence policies related to production, marketing and resource governance?

### **Theme III: Enhancing Sustainability of Development Benefits**

1. The 2002 COSOP did not provide a comprehensive strategy for ensuring sustainability of IFAD-financed activities. Project sustainability, which has been identified as a key weakness since the Sudan Country Portfolio Evaluation of 1994, requires broader efforts beyond the simple scope of project activities. Some IFAD-financed operations, such as increased livestock development, have tended to introduce substantial changes over a short time period in fragile environments with a weak carrying capacity, often resulting in adverse environmental effects.

2. Despite laudable efforts, there has been a gap between the IFAD intent in the 2002 COSOP seeking to promote conflict resolution as well as peace-building. In addition, the fragile and volatile environment, limited execution capacities and recurrent conflicts increase the exposure of existing project benefits to risks that may hinder the continuation of benefits after completion of IFAD support.

3. The Evaluation found hard-earned gains in projects are threatened with loss when projects come to an end and there are no prospects for follow-up with internally generated resources. The solution that consists in phasing out the external (IFAD) contribution during the period of implementation often proved unrealistic, because it takes much more time (in the range of 15-20 years) to reach results that are sustainable. Hence, an important aspect of sustainability is continuity of support to avoid the degeneration and possible loss of good results and assets. At the same time, situation of donor-dependency should be avoided.

4. The CPE also found that institution building through projects has been one of IFAD's strong points in Sudan and has demonstrated its appropriateness and relevance for rural poverty reduction. However, the model demands substantial resources, especially at the State/Locality and programme management levels where over 70 per cent of institutional support funding has gone and where institutional and operational linkages are still weak. The model is also based on a number of assumptions that have been found to be optimistic, such as growth of locality government revenues as projects raise agricultural productivity and hence incomes of the farmers (and the private sector more generally) who not only would pay more taxes, but also have capacity to pay for most of the services they require. Community organizations visited which were established or supported by the programme appeared to be far from attaining self-reliance.

5. The CPE recommends that the next COSOP ensure sustainability is incorporated in all phases of the project life cycle, starting from design all the way to project closure. The importance of building ownership and defining exit strategies early on cannot be overemphasised. Also, recognizing the contextual realities of Sudan, where conflict over natural resource is an integral part of the daily reality of farming and pastoral communities, IFAD should include the capacity building of the field staff in conflict prevention and disaster

management as integral component of its programmatic interventions in Sudan in order to enhance sustainability.

***Proposed Questions for Discussion***

- How can the new COSOP ensure sustainability is incorporated in the broad framework of the strategic elements of the Country Programme in terms of design (e.g. clarity of exit strategies), and partnership (e.g. stakeholder ownership) at the outset of the new country programme?
- What are the factors of project design and implementation more likely to determine social ownership and institutional sustainability? How can IFAD performance be improved in this regard?
- What are the instruments and options available to IFAD for ensuring continuation of project benefits after project completion? What instruments/actions are needed at design and/or implementation stage for supporting sustainability?
- How can IFAD ensure sustainability of projects and programs in the existing fragile and volatile environment, limited execution capacities and recurrent conflicts?
- Will capacity building of the field staff in conflict prevention and disaster management enhance sustainability? To what extent IFAD can address the risks faced by beneficiaries vis-à-vis issues of conflicts and civil war?