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Corporate-level Evaluation IFAD'S SUPPORT TO INNOVATIONS FOR INCLUSIVE AND SUSTAINABLE SMALLHOLDER AGRICULTURE

What is an innovation? Innovations are new, potentially risky ideas or processes that break with established ways of working in the hope of achieving a better outcome. The evaluation team introduced its own definition of innovation as: a new way of acting – practice, approach, method, process, product or rule – brought in or implemented for the first time, considering the context, time frame and stakeholders, with the ultimate purpose of improving performance. Innovations supported by IFAD are mostly institutional or organizational arrangements; for instance, establishing professional or technical expertise banks at local level, or new methods of linking private- and public-sector organizations to farmers. Working with a “business as usual” approach will not be sufficient to scale up agrifood systems to meet increasing demands globally, and innovative approaches may offer sustainable solutions.

IFAD-supported innovations. IFAD has been a leader in supporting innovations for inclusive and sustainable agriculture, with the topic growing in prominence since the late 1990s. The evaluation found that IFAD has introduced a wide range of successful innovations across its programme of loans and grants, which have contributed to positive change, for example, in terms of agricultural productivity and production, gender empowerment and natural resources management. However, it also found that

while the **2007 Innovation Strategy provided valuable pathways, it included no clear objectives and no operational framework**, making progress difficult to evaluate. In addition, the strategy was not supported by specific resources until 2019.

The evaluation found **a lack of a systematic and consistent approach in the process of IFAD-supported innovations**. One of its recommendations aims at improving these aspects. Practical guidelines can give ideas to staff on “how to”. At country level, **operational guidance and support** should be provided from the overall country programming and project design, implementation, monitoring and evaluation stages. **IFAD's support for adaptive innovations during the life of a project plays an important role in preserving the overall efficiency and effectiveness of many projects**. However, these innovations are often not reported or shared. The evaluation also found that loan-financed projects generally support innovations at the stage of dissemination, while grant-financed projects support innovations at the stages of development and piloting. Grants have proved more flexible than loans when considering innovations focused on marginalized groups or women. Typically, **grant projects may be able to test riskier, novel ideas, but they are often shorter-**

term and less linked to loan-supported innovation processes (for instance, due to weak synergies and timing constraints, or because they are run by research organizations or NGOs).

Findings revealed that **innovations work better when they are implemented as a “bundle”, packaging innovations of different types** – for instance, innovations in production along with new ways of organizing farmers, and links to finance. Bundling innovations allows them to tackle simultaneously the many challenges facing smallholder farmers. **IFAD should devote greater attention to transformative innovations**, ones that are able to lift poor farmers above a threshold from which they cannot easily fall back after a shock. A stand-alone innovation may work well, but may not be sufficient in the face of a serious crisis (e.g. a drought or price collapse). While the evaluation found some successful examples of bundling, a key recommendation is to give more attention to this aspect, choosing innovations that can work in synergy with one another. **Particularly in the case of inclusion of women, youth or disadvantaged groups, better impact can be achieved with fewer inputs when innovations are bundled** with a combination of access to resources, capacity-building and social measures.

Innovation involves taking risks, and may not always succeed. Staff reported their preference for proven, less risky innovations rather than genuinely novel solutions, which entail failure risks. The evaluation recommends that **IFAD foster an innovation culture, encouraging innovations to be trialled and potentially fail**. Specific funding initiatives may be needed to promote transformative change (such as expanding the Innovation Challenge Fund), as well targeted capacity-building for staff, and rewards (financial or otherwise) to recognize innovation champions.

Knowledge management and sharing are critical in order to promote innovations. The decentralization process within IFAD has meant that staff are more closely integrated into national or regional innovation systems, but they hear less about successful innovations in other regions. Good examples of information-sharing activities were seen during the evaluation. Nevertheless, **because most IFAD country programmes lack a specific knowledge management action plan, the integration of innovation aspects is rather ad hoc and managed on a case-by-case basis**, not following a programme-wide approach. IFAD has supported knowledge-sharing via several channels within projects and countries, as well as regionally and internationally. However, the evaluation recommends that the instruments should be more focused. At present, knowledge and information innovations are not collected and shared in a systematic and consistent fashion as a plethora of channels exists. For instance, the websites for sharing innovations are underutilized and often unknown. **The evaluation recommends that they be consolidated into one channel and advertised regularly to staff and partners via social media alerts**.

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Key recommendations

- **Upgrade IFAD’s strategic and operational approach to innovations:** Set clear goals for the innovation agenda. Improve the operating model that supports innovation processes, developing a systems approach from planning to implementation and monitoring, including budget and staffing. Increase funding and operational partnerships that contribute to support the innovation agenda.
- **Bundle innovations for transformative feature to improve resilience:** Dedicate greater attention to designing and implementing bundles of transformative innovations.
- **Encourage innovation risk-taking:** Enhance the innovation culture within IFAD’s business model to support the innovation agenda.
- **Promote learning about innovations more effectively:** Streamline knowledge management tools for accessing and sharing innovation-related information.

Further information:

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