

Independent Office
of Evaluation



IFAD

Investing in rural people



RECOVERY, REBUILDING, RESILIENCE:
TOWARDS A GREENER AND MORE INCLUSIVE INFRASTRUCTURE

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April 2021





Key messages from the IOE learning event

IOE has prepared an evaluation synthesis report to review the experiences, lessons and results of IFAD's investments in infrastructure between 2001 and 2019.

During this period, US\$6.97 billion, or about 30 per cent of IFAD funding, went towards the construction or rehabilitation of infrastructure and the related capacity-building.

The report confirms that these investments were relevant and effective, and have contributed to reducing poverty in the areas where IFAD-supported projects are carried out.

The learning event was an opportunity to share lessons and experiences and discuss the way forward under IFAD12.

The event was attended by more than 80 participants from IFAD and other organizations.

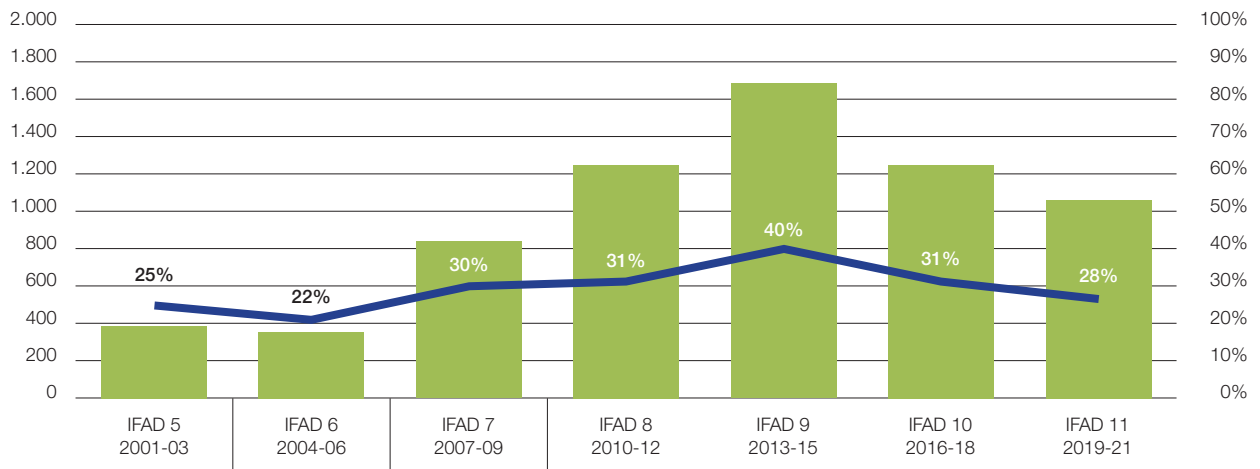
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The event started with an **opening address by Indran Naidoo, Director, IOE**. This was followed by **a presentation by Johanna Pennarz, Lead Evaluation Officer, IOE, on the key findings, lessons and conclusions from the report**. The presentation highlighted the success of IFAD’s infrastructure investments in reaching the rural poor and, in particular, women. However, it also emphasized the poor quality and insufficient sustainability of the infrastructure built, which would require a greater focus on the institutional capacities

and arrangements for ownership, operation and maintenance. Increased investments in infrastructure need to stay closely linked to IFAD’s mandate if they are to facilitate better access and sustainability for IFAD’s target groups, enhance livelihood resilience, minimize elite capture and safeguard the interests of poor and vulnerable groups. IFAD’s comparative advantage clearly lies in the provision of small-scale, climate-smart and pro-poor infrastructure, but this needs to be articulated more clearly through a dedicated infrastructure strategy.

IFAD Infrastructure Investments 2001 - 2020

IFAD and international co-financiers



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AREAS OF GOOD PERFORMANCE	AREAS OF WEAK PERFORMANCE
EFFECTIVENESS: Overall good.	TECHNICAL QUALITY: Mostly low.
Community-driven projects achieved targets for (social and productive) infrastructure.	Unsatisfactory for most production- and market-focused projects.
Mixed results in production- and market-focused projects; Market infrastructure often ineffective.	EFFICIENCY: Delays in start-up; slow delivery and procurement.
TARGETING: Satisfactory for all community-based projects.	SUSTAINABILITY: Not satisfactory in most projects.
Irrigation and road projects: “placement biases,” risk of excluding the very poor.	Operation & maintenance committees set up too late; not sufficiently capacitated beyond project.
GENDER FOCUS: Focus on women satisfactory for community-based projects; less positive for market infrastructure.	GOVERNMENT PARTNERS: Technical capacities weak; coordination and oversight insufficient.

Following the presentation, there was a **round of feedback from country programme staff**, who gave first-hand insights into the challenges related to implementing infrastructure-intensive programmes. The panellists were: Shankar Achuthan Kutty, (Procurement Specialist, Asia and the Pacific Division [APR]); Paxina Chileshe (Regional Climate and Environment Specialist, Environment, Climate, Gender and Social Inclusion Division [ECG]); Ivan Cossio (Country Director/Hub Head, APR); Tarek Kotb (Lead Global Technical Specialist – Water and Rural Infrastructure, Sustainable Production, Markets and Institution Division [PMI]); and Roshan Cooke (Country Director, APR). They emphasized that rural infrastructure too requires rigour in preparation, design and implementation. This can only be achieved if adequate institutions, capacities and processes are in place. Rural infrastructure does not call for engineering alone; it also requires broader skill sets – social,

economic, financial, legal, procurement, coordination and management, among others.

After this, **Meike Van Ginneken, Associate Vice President, Strategy and Knowledge Department, provided the address on behalf of IFAD management. This was followed by a second panel discussion** on “Recovery, Rebuilding, Resilience – what are the implication for IFAD’s investments in infrastructure?” The panellists were Mawira Chitima (previously Lead Global Technical Specialist – Water and Rural Infrastructure, PMI; currently Hub Director, Addis Ababa, East and Southern African Division); Kisa Mfalila (Regional Climate and Environment Specialist, ECG); Karan Sehgal (Rural Energy Specialist, ECG); Ndaya Beltchika (Lead Technical Specialist, Gender and Social Inclusion, ECG) and Rudolph Cleveringa (Former Senior Technical Adviser in IFAD’s Policy and Technical Advisory Division). The panel

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identified opportunities for IFAD to leverage more resources into infrastructure; at the same time, they emphasized the need to increase investments in climate resilience and “green” infrastructure delivered through an inclusive approach.

In his concluding remarks, Fabrizio Felloni (Deputy Director, IOE) emphasized that in order to scale up its infrastructure investments, IFAD will need a

strategy that lays out where to focus and how to leverage the additional funding obtained through effective partnership building. This will require sufficient technical capacity at headquarter, regional and country levels. He added that IFAD needs to enhance its systems to track infrastructure investments and ensure that they focus on sustainability from design through to completion.

The key messages from the event follow.



Challenges and lessons learned

IFAD's traditional partners often do not have the capacities or incentives to implement small-scale and community-led infrastructure. For example, "last mile" roads offer little incentive to ministries of public works, and drinking-water supply expertise is not necessarily the key attribute of ministries of agriculture extension staff. Lowest-level irrigation works are often contested between ministries of water/irrigation and ministries of agriculture, and would require a blend of social and communication skills to be effectively coordinated. Country directors reported that they sometimes receive different lists of infrastructure works from the government at different stages of the design because baseline information is lacking and the top-down instructions are tinged with political bias.

Good risk assessment is critical for the success of rural infrastructure. The risk areas lie in location, design standards, construction quality, quality of management, and maintenance. It is important to understand who is financing the capital and operational costs of the infrastructure. Some of the common challenges are linked to the fact that at design, most of the sites where hard infrastructure is to be constructed are unknown. Therefore, during design, an environmental and social management framework is produced to guide risk management during implementation. These assessments of environmental and social impact should be sequenced before the detailed design phase of the infrastructure, so that they can be effectively used as decision-making tools. Timely

approval by the relevant national authorities must also be ensured, in order to avoid delaying the roll-out of the infrastructure developed.

Better climate scenario assessments are needed when identifying sites or designing infrastructure. Future climate scenario analyses are rarely undertaken, and the infrastructure designed may not be robust enough to withstand extreme climate events. Engineers often take into account historic climatic trends, but not future climate projections. However, considering such projections would help improve the design quality and sustainability of the infrastructure.

Procurement as a vital strategic function requires dynamic and intuitive risk identification if the impact of risk in the procurement cycle is to be minimized. Efforts to this end must start early in the project cycle, ideally at design stage. Adequate collaboration with technical teams and with teams working with safeguards should also be secured. However, if IFAD does expand into large and complex infrastructure investments, it must also strike a balance between oversight, risk management and technical capacity.

Cofinancing is key to the successful delivery of infrastructure. Cofinancing with larger international financial institutions (IFIs) brings together significant mutual benefits for communities. Cofinancing arrangements often mean that the "soft infrastructure" is financed by IFAD, while partners finance the "hard infrastructure", which often makes up the largest

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portion of the project. However, the arrangements bring many challenges. Construction is often delayed, and capacity-building activities are often undertaken separately from the investment itself. This can result, for example, in irrigation schemes being ready to use only after the project is over, which in turn might lead to a scenario in which IFAD's target groups cannot benefit from irrigation infrastructure because the maintenance bodies or water users associations are not functional yet.

Free, prior informed consent is essential and takes time. Free, prior and informed consent must be secured from the project-affected populations before any investment is made. This will improve ownership and strengthen community monitoring of the project activities, including the construction/rehabilitation itself. Field mobilizers usually do not have sufficient capacity to introduce infrastructure interventions to the communities. This can lead to delays in mobilizing communities in terms of the workforce available for community-built infrastructure and, most importantly, in sharing the costs of construction, operation and maintenance – the main elements for sustainability.

The selection of infrastructure interventions, prioritized by the communities, is key to success. This is where IFAD projects have a comparative advantage. Often, the implementation of infrastructure took longer than planned until farmers were sufficiently convinced of the project's benefits and fully involved in the identification, construction and/or supervision of the project. In such cases, the results were very impressive, in terms of better quality and the continued operation and maintenance of the facilities by community groups.

Empowering rural communities to own and manage infrastructure is another key to success, as facilitating partnerships with the private sector for financing, ownership or management is beneficial to the sustainability of the infrastructure. Separating approaches to the development of private and public rural infrastructure is likewise important.

Provision of infrastructure may disrupt the social fabric. The members of water users' associations, the beneficiaries of irrigation, tend to be seen as privileged farmers in their communities – which means that several aspects prevent them from benefiting fully from irrigation infrastructure. There is a potential conflict between farmers' organizations and water users' associations. IFAD should avoid encouraging separation of the two types of organizations. Focusing exclusively on "soft" infrastructure, such as water users' associations, may lead to the paradox of creating "isles of excellence" which may turn into "isles of exclusion and mission drift".





The way forward: scaling up - but how?

Allocate more resources for infrastructure.

IFAD needs to provide increased resources for the preparation of rural infrastructure interventions, such as capacity-building for designs, operation and maintenance. In this respect, an infrastructure preparation fund facility can make a significant contribution. For example, the facility could be used to prepare project pipelines for rural infrastructure development, well ahead of project designs. IFAD could leverage available infrastructure development funds, such as the 5% Agenda initiative for infrastructure of the African Union's New Partnership for Africa's Development (NEPAD). IFAD should also take advantage of the new Non-Sovereign Operations framework, which allows for more dynamic engagement of the private sector (in particular, renewable energy companies). The potential use of remittances for the creation of private infrastructure goods at the community level deserves further consideration.

Decarbonize IFAD's infrastructure

investments, in accordance with its banking ambitions. For IFAD to emit "green bonds" and/or attract private-sector funding commensurate with its level of ambitions, its interventions must be green, sustainable and decarbonized (and certified by third parties as to their eligibility for green bonds). The Social, Environmental and Climate Assessment Procedures (SECAP), the Adaptation for Smallholder Agriculture Programme and third-party green funding facilities (Green Climate Fund, Global Environmental Facility) already examine the

CO₂ emissions and corresponding balances of investments beyond project periods. However, these green investments represent a fraction of IFAD or IFI partner investments.

Rebuilding, in particular in fragile situations, also means rebuilding the "social contract" and trust between the government and communities. This includes issues of needs-based and capacity-oriented infrastructure (commensurate with the prevailing operations and maintenance capacities), rights-based approaches (enforceable pro-poor land and water rights), fully informed and prior consent (participation in planning and design at the earliest possible stage), repair of social fabric with regard to inclusion, and youth and gender equity. Scaling up these universal principles through community-based approaches should be a priority for IFAD.

Ensure continued focus on women, youth and disadvantaged groups.

IFAD's cofinancing goals entail great implementation challenges related to equity and inclusion. A balanced and phased approach should be considered, whereby larger investments would follow the provision of small-scale and community-based infrastructure projects. Focus on women, youth and the disadvantaged is important and a characteristic of the way IFAD conducts interventions, to a much greater extent than occurs in other IFIs. IFAD performs exceptionally especially in the realms of gender and inclusion in small-scale and community-based infrastructure investments because these

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match the needs and skills of the intended users.

Continue investments for basic needs. IFAD works in areas presenting vast rural infrastructure gaps affecting all spheres, including domestic water supply, rural transport/access, energy, housing, and storage facilities. There is a need for IFAD to focus on the most impactful interventions. For example, in an area where women spend a substantial amount of time fetching water, and thus have less time for other activities, an investment in water supply may have greater impact. This will have a broad range of further effects, such as improved nutrition, reduced drudgery, and increased time for productive activities. Investing in clean water and proper sanitation should remain a priority for IFAD, as it moves towards interventions for larger and more sophisticated infrastructure projects.

Systematic assessment of climate risks.

Effective use of SECAP as a diagnosis and planning tool and as a means to generate data using infrastructure can be an entry point towards building resilience among smallholder farmers and ecosystems. This requires undertaking assessments upstream, at the conceptualization stage. IFAD is the only IFI that engages in rigorous and comprehensive climate risk assessment and analysis as a part of SECAP to inform the design of infrastructure investments.

Invest in sustainable land management.

IFAD's focus on small-scale and reversible infrastructure should continue in recognition of both climate uncertainty and the need to enhance adaptation. Infrastructure is largely perceived as consisting only in concrete or brick-and-mortar works. Generally, there is little knowledge of or interest in using nature-based or bioengineering approaches as alternatives or as complements. However, this is an area where IFAD has gained

significant experience and a comparative advantage. IFAD already invests in sustainable land management, and it would be important to scale up these interventions further.

Investments in renewable energy. Energy remains a critical aspect for the groups targeted by IFAD because access to energy allows smallholder farmers to increase their incomes, enabling production, processing (drying, milling, grinding, etc.) and post-harvest handling activities (cooling, storage). Current energy sources (diesel fuel, kerosene, firewood and charcoal) have high costs, are vulnerable to climate change (and volatile to oil prices) and have huge negative implications for health and the environment. IFAD's Renewable Energy for Smallholder Agriculture approach paper, approved by the Operations Management Committee in April 2019, seeks to provide strategic guidance to country directors and project teams on the systematic integration of renewable energy in IFAD operations.

Take a long-term perspective. IFAD's comparative advantage lies in its long-term engagement in countries, in the form of implementing a series of infrastructure investments that build on the results, impacts and lessons learned from preceding similar interventions. The impact of investments on strengthening the resilience of smallholder farmers and ecosystems against climate shocks requires a long timespan, exceeding the average project implementation period of five to six years. Hence, IFAD's approach provides an opportunity to evaluate the extent to which lessons learned from first-generation projects can feed into new projects.

Captions & Credits

- Front cover: The Gourdjia - Birnin Kouka road, Niger, built by the Family Farming Development Programme in Maradi, Tahoua and Zinder Regions.
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- Page 2: Marshlands in Ruvubu, Kayanza Province, Burundi. About 30 per cent of the primary canals were bricked as part of the hydro-agricultural development financed by the Value Chain Development Programme.
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- Page 6: Georgia. The photo portrays one of the several irrigation canals rehabilitated by the Agricultural Support Programme.
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- Page 10: Beneficiaries of the Rural Livelihoods and Economic Enhancement Programme in Malawi. The construction of this milk collection point was financed by IFAD, while the bulk milk cooling tank was provided by UK Aid.
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Publishing process managed by

Norah de Falco, Evaluation Knowledge Management and Communication Specialist, IOE

Graphic design

Laura Monopoli

Independent Office
of Evaluation



Investing in rural people

Independent Office of Evaluation

International Fund for Agricultural Development

Via Paolo di Dono, 44 - 00142 Rome, Italy

Tel: +39 06 54591 - Fax: +39 06 5043463

E-mail: evaluation@ifad.org

www.ifad.org/evaluation

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