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Enabling poor rural people
to overcome poverty

Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for Kenya

Note to Executive Board representatives

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For: Review

Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for Kenya

General comments

1. The Independent Office of Evaluation of IFAD (IOE) welcomes the new results-based country strategic opportunities programme for Kenya (COSOP), which is a well-prepared country strategy. The COSOP has been developed by IFAD and the Government of Kenya and draws on the findings and recommendations of the 2011 Kenya country programme evaluation (CPE) and its agreement at completion point (ACP), which was signed in June 2011. IOE supports the broad strategic directions contained in the COSOP.
2. The COSOP proposes three strategic objectives which partially correspond to the four thematic priorities recommended by the CPE. The second part of this note identifies specific aspects of the recommendations included in the ACP (and CPE) that were not adequately taken into account in the COSOP.
3. The inclusion of the ACP in appendix V of the COSOP is a commendable contribution to transparency. However, in future COSOPs it would also be worthwhile to include a table in the main report indicating the extent and ways in which the COSOP has taken into account the ACP recommendations, or the rationale for not considering some of the recommendations agreed by the Government and IFAD.

Specific comments

4. **Sharper strategic focus.** The first recommendation of the ACP/CPE was for the new COSOP to state explicitly which thematic areas would not be covered by future interventions because of IFAD's lack of comparative advantage in such areas – including domestic water supply, health and sanitation. This has not been done in the new COSOP. Had the recommendation been followed, the COSOP would have a sharper strategic focus.
5. **Scaling up and partnerships with multilateral development banks (MDBs).** The third recommendation of the ACP indicated that the new COSOP should emphasize scaling up for wider poverty impact, noting that this would require greater investment in building partnerships with multilateral development banks and other donors. Similarly, the fourth recommendation stated that partnerships with the African Development Bank (AfDB) and the World Bank should be strengthened, especially in identifying options for cofinancing operations and scaling up, and in undertaking joint policy dialogue with governments on key agriculture and rural development issues. In the new COSOP, the paragraph dealing with partnership (paragraph 20) does not refer explicitly to multilateral development banks; however, the excellent key file 3 (inserted at the end of the COSOP, after the appendices), relating to complementary donor initiatives and partnership potential, includes significant references to the AfDB and the World Bank.
6. **A more integrated country strategy.** The fourth recommendation of the ACP/CPE is that the new COSOP should define more precisely how the various IFAD instruments (loans, and regional and country grants, and policy dialogue, partnership-building and knowledge management initiatives) will complement each other and contribute towards the achievement of country programme objectives. This will require attention to ensuring synergies across investment operations, across regional and country-specific grants, and across investment operations, grants and non-lending activities (policy dialogue, knowledge management and partnership-building). The non-lending activities will need to be resourced adequately if they are to truly contribute to strengthening coherence within the country programme. In terms of priority to policy dialogue, the Fund could support the Government in developing new and refining existing policies for livestock development especially in

arid and semi-arid areas; water management; and private-sector engagement in small-scale agriculture, based on the experience of IFAD-supported projects. Partnerships with the AfDB, the Food and Agriculture Organization of the United Nations (FAO), the United States Agency for International Development (USAID) and the World Bank should be strengthened, especially in identifying cofinancing and scaling-up opportunities and pursuing joint policy dialogue with the Government on key issues. All these are valuable orientations that have been agreed between the Government of Kenya and IFAD, but are not adequately incorporated into the new COSOP.

7. **COSOP completion review.** In line with the guidelines for preparing results-based COSOPs approved by the Executive Board in 2006, IOE recommends making provisions for a COSOP completion review at the end of the COSOP cycle, which would further harmonize IFAD's self-evaluation system with those of other international financial institutions. It is IOE's view that COSOP completion reviews should be conducted in a systematic manner at the end of all COSOPs.
8. The **COSOP results management framework 2013-2018** is clearly formulated and includes information on baseline indicators. However, although the COSOP indicates that grants will be supervised jointly with loans, there are no indicators with respect to grants that could help direct supervision missions focus also on grant activities. Other dimensions of the non-lending portfolio, particularly policy dialogue and partnerships, are dealt with only in the last column of the results management framework and no related indicators are provided.
9. **Costing the COSOP.** As with most other RB-COSOPs, estimates of the COSOP management costs have not been presented in the document. The inclusion of estimated programme management costs (e.g. operating costs of the country office, supervision missions and periodic support missions, administrative resources for implementing non-lending activities, salaries of the concerned staff at headquarters and imputed support cost from the regional office) would have contributed to a more precise estimate of resources needed to ensure the achievement of the main COSOP objectives.
10. **Resources for policy dialogue and knowledge-sharing activities.** It will be important to define the instruments and resources (both financial and human) required for policy dialogue activities. IFAD and its partners must ensure that the policy dialogue undertaken is adequate in terms of profile and calibre. Sharing relevant experiences from other countries in the region, and eventually also from other regions in which it has worked would help IFAD play a crucial role in sharing good practices as well as identifying cases of low performance.
11. **The role of regional grants.** The COSOP does not specifically discuss grant activities. Grants play an important role (together with loans) in ensuring an integrated country programme. Moreover, there are ongoing regional grants in the East and Southern Africa Division that include activities earmarked for Kenya. The COSOP could have mapped such activities with a view to building more coherence and synergies among its investment projects and other activities financed through regional grants, for example, market access, knowledge management and policy dialogue.
12. **Relationship between the Kenya country office and the IFAD regional office.** The ACP/CPE recommended that the relationships between the Kenya country office and the IFAD regional office in East and Southern Africa (both located in Nairobi) be clearly defined and communicated to all concerned in Kenya and throughout the region. It would be useful for this to be reflected in the Kenya COSOP and followed up on in the near future.

Final remarks

13. With the above qualifications, IOE wishes to reiterate its overall appreciation for the document and the efforts made to follow up on the 2011 CPE recommendations and agreement at completion point. Furthermore, the information included in key file 2 – a comprehensive analysis of strengths, weaknesses, opportunities and threats of different organizations – will be useful for IFAD’s future work in Kenya.