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Investing in rural people

Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the United Republic of Tanzania

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 the United Republic of Tanzania

General comments

1. The Independent Office of Evaluation (IOE) welcomes the new results-based country strategic opportunities programme (COSOP) for the United Republic of Tanzania. The document draws on the findings and recommendations of the country programme evaluation (CPE), whose agreement at completion point was signed in June 2015. IOE acknowledges the good collaboration between the national authorities on the mainland and in Zanzibar and the East and Southern Africa Division of IFAD in formulating the COSOP.
2. The strategic directions and objectives outlined in the COSOP are consistent with the lessons learned through the CPE, and are aligned with the country context and needs, including the poverty characteristics and the evolving national policy environment.
3. The attention given to non-lending activities is a positive sign. The designation of IFAD as the chair of the development partners' Agriculture Working Group is an indicator of the enhanced recognition of the Fund by other donors, and it will allow IFAD to play a stronger role in policy consultation and dialogue. An estimate of the resources required and available for non-lending activities would have been useful: in the past, progress in these areas has been constrained by the lack of earmarked financial and human resources.
4. Rural finance and value chain operations have suffered from implementation delays in the past. The COSOP could have elaborated upon the operational risks and challenges faced during portfolio implementation as these may also affect the implementation of future operations.

Specific comments

5. Learning from the past. The COSOP takes on board the key findings of the 2015 CPE, in particular: (i) the progress made in strengthening the institutional capacity of local government authorities and in decentralizing extension systems under the Agricultural Sector Development Programme (ASDP) realized through the basket funding modality; (ii) design weaknesses in projects in support of smallholder access to rural markets and financial services; (iii) geographic dispersion of the portfolio; and (iv) limited prioritization of non-lending activities due to the absence of a clear action plan and resource constraints.
6. The strategic objectives are in line with both the country's needs and the CPE's recommendations. Strategic objective one is aimed at enhancing responsiveness and accountability of central and local public institutions to IFAD's target groups, and consolidating the results of the decentralization of agricultural extension services. Strategic objective two is aimed at supporting more inclusive and resilient value chains, with renewed efforts to engage the private sector. Strategic objective three addresses scaling up of climate-resilient technologies, based on more effective agricultural support service modalities. This corresponds to one of the specific recommendations of the CPE, based on the experience of farmer field schools in Zanzibar. Strategic objective four focuses on land governance, more inclusive agriculture, increased public and private investments and more effective mechanisms to address conflicts over land and natural resources.
7. The new lending pipeline. The two sectoral interventions supporting the Agriculture Sector Development Strategy (ASDS)/ASDP II on the mainland and the Zanzibar Agricultural Sector Development Programme respond well to the recommendations of the CPE. Regarding further support to ASDP II, more

information would be useful regarding the envisaged financing instrument – i.e. whether this will take the form of basket funding or traditional project financing – and the degree of support being provided by other donors to the programme.

8. The proposed Highland Milkshed Development Project capitalizes on the opportunity highlighted in the CPE to invest in the country's dairy sector. This project, as well as the proposed Drylands Development Project, marks a revival of interest in livestock development and in pastoral development interventions on the mainland. Such activities that have been neglected in the past.
9. The current portfolio. While COSOPs typically concentrate on future operations, more insights into experience drawn from the implementation of the Rural Micro, Small and Medium Enterprise Support Programme and the Marketing Infrastructure, Value Addition and Rural Finance Support Programme would have been valuable in this case. The achievement of the second COSOP strategic objective will rely to a large extent on these projects. Moreover, the new project in Bagamoyo (Bagamoyo Sugar Infrastructure and Sustainable Community Development Programme) will require close follow-up of potential environmental and social risks.
10. Non-lending activities and policy engagement are given prominence in the COSOP. Four main areas for attention are identified: (i) an operational plan for the farmer empowerment strategy; (ii) a value chain development strategy and operational plan; (iii) a strategy for the Zanzibar Agricultural Sector Development Programme; and (iv) fostering of good land governance for inclusive development. These areas are consistent with the priorities of the lending programme and, provided that adequate resources are assigned, would offer an opportunity to distill IFAD's practical operational experience into policy processes.
11. Overall, the COSOP results framework (appendix II, attachment 1) is well explained. Outcome and milestone indicators seem adequate for reporting on the achievement of strategic objectives. It is noted that the baseline and targets for some indicators are still to be defined, pending the finalization of the national objectives of ASDP II. It will be important to ensure the availability of reliable sources for these indicators through sectoral or project-specific monitoring systems. The document places particular emphasis on COSOP-level monitoring and evaluation (M&E); however, for M&E to function at the COSOP level, it must first be effective at the project level. This has been an area of weakness in the past and will require attention from the Government and IFAD in the future.

Final remarks

12. In general, IOE finds this to be a sound document and appreciates the efforts made to follow up on the recommendations of the 2015 CPE.