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Investing in rural people

Comments of the Independent Office of Evaluation of IFAD on IFAD's approach to a strategy for engagement in countries with fragile situations

Note to Executive Board representatives

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For: Review

Comments of the Independent Office of Evaluation of IFAD on IFAD's approach to a strategy for engagement in countries with fragile situations

A. General comments

1. IOE welcomes the paper "IFAD's approach to a strategy for engagement in countries with fragile situations", to be presented for consideration by the Board in April 2016. The paper outlines IFAD's proposed approach for engagement in countries with fragile situations and presents the building blocks of a strategy to be submitted to the Board in September 2016. The preparation of such a strategy is one of the commitments made by IFAD to Members States for the Tenth Replenishment of IFAD's Resources (IFAD10) period.
2. In general, the paper is well prepared and builds on the main recommendations of the corporate-level evaluation (CLE) on IFAD's engagement in fragile and conflict-affected states and situations, presented to the Board by the Independent Office of Evaluation of IFAD (IOE) in April 2015. It is also consistent with IFAD's Strategic Framework 2016-2025 and the Strategic Vision 2016-2015. These overarching reference documents call for IFAD to, inter alia, take differentiated approaches to its development interventions and adapt its operating model based on country contexts.
3. The proposed approach has several encouraging features that represent improvements on past practices. First, the paper includes a new definition for fragility. This is important because the CLE found that the definition IFAD was using to orient its work dated back to 2006¹ and did not adequately take into consideration the issues of fragility and conflict.
4. Second, the CLE recommended that Management reconsider the current classification of fragile states. In this regard, the paper includes a proposal for classifying "situations" rather than "states" as fragile. The CLE noted the importance of this distinction because IFAD operations are often implemented in fragile situations in countries that are not classified as fragile states by international financial institutions or the Organisation for Economic Co-operation and Development (OECD).
5. A third positive feature is the commitment that future country strategic opportunities programmes (COSOPs) and country strategy notes (where applicable) will serve as instruments to analyse fragility; this was an aspect that the CLE found was lacking in many past COSOPs as they did not fulfil their assumed purpose of thinking strategically about the implications of fragility. The CLE also noted that additional resources would be needed in order to undertake such an analysis, over and above the allocations for the preparation of COSOPs for countries that do not manifest fragile situations. The need to strengthen staff skills to conduct such an analysis and provide incentives for working in fragile states has also been recognized in the paper.
6. Fourth, the proposal recognizes the need for simplicity in the objectives and activities of IFAD operations in fragile situations, commensurate with the prevailing policy and institutional contexts. Similarly, a differentiated approach is envisaged for supervision and implementation support of problem projects, and the provision of additional support to implementing agencies for better results.

¹ "Fragile states are characterized by weak policies, weak institutions and weak governance, resulting in meagre economic growth, widespread inequality and poor human development. Fragile states are more exposed to the risk of outbreaks of violence than are non-fragile states. Fragile states may be well endowed with natural resources or be resource poor". – IFAD Policy on Crisis Prevention and Recovery, approved by the Board in 2006.

7. The paper includes guiding principles for IFAD's work in fragile situations, plus sections on human resources management, country presence and decentralization, and achievement and measurement of impact. This demonstrates comprehensive thinking on the part of Management in developing an appropriate strategy for engagement in fragile situations, making full use of the feedback and learning loop between independent evaluation and policy/strategy formulation.

B. Areas needing further consideration

8. Based on the CLE findings and recommendations, IOE wishes to highlight some areas that merit attention as Management moves forward in preparing the strategy.
9. Policy coherence. The CLE found that IFAD's policy framework for engagement in fragile states was fragmented. Therefore, the introduction of IFAD's first corporate strategy dedicated to engagement in countries with fragile situations is a welcome initiative. However, it will be important for the forthcoming strategy to clearly articulate how it will promote wider synergies and coherence with other existing policies and strategies, especially the partnership strategy, the supervision and implementation policy, and the forthcoming decentralization plan.
10. Moreover, the CLE on the performance-based allocation system (PBAS) – to be discussed by the Board at its April session – underscores that IFAD's resource allocation system does not pay due attention to fragility and vulnerability. Although the paper makes reference to this matter, fragility considerations should be more widely considered in the forthcoming strategy that will inform the fine-tuning of IFAD's PBAS in the future.
11. Monitoring and evaluation. A key recommendation of the CLE was to strengthen monitoring and evaluation (M&E) activities, including by ensuring timely collection of baseline data and integrating indicators to measure the results of women's empowerment and institutional development in fragile situations. Moreover, the CLE noted that the weak institutional capacities and incentives – especially in the area of M&E – that are characteristic of fragile situations made results measurement even more challenging than in other situations. Therefore, IOE encourages Management to devote the required attention to these aspects in the forthcoming strategy document and in project design and implementation.
12. Differentiated allocation of administrative budget. A key aspect in achieving results on the ground is to ensure that adequate administrative resources are made available to further country programme and project objectives in fragile situations. For example, given the weak institutional capabilities and human resources in remote areas affected by conflict and crisis, IFAD may need to allocate more resources to project design and supervision and implementation support; enhance staff skills to deal with fragile situations; and prioritize the setting up of country offices. Regional divisions will need to proactively differentiate the allocation of annual budgets in order to respond to fragile situations and enhance development effectiveness.
13. Strengthening learning loops. Though the paper makes reference to "learning from IFAD's experience in such situations", strengthening knowledge management and internal feedback loops should receive particular emphasis in the new strategy. IFAD focuses on promoting innovation in smallholder agriculture, and its experiences (both successes and failures) should be more systematically documented, shared and discussed within and outside the Fund. This would also allow IFAD to play a leadership role in systematizing knowledge of what works and what does not in promoting rural transformation in fragile situations.
14. Gender mainstreaming. IFAD has a proven track record and comparative advantage in promoting gender equality and women's empowerment. However, the current paper does not explicitly define the measures that IFAD plans to take in

COSOP preparation and in project design and implementation to address the concerns of women in fragile situations. This is an issue that merits careful consideration moving forward.

C. Concluding remarks

15. Building on the suggestions laid out above and in line with the IFAD Evaluation Policy and Terms of Reference of the Evaluation Committee, IOE looks forward to having the opportunity to review and prepare written comments on the strategy that Management plans to submit to the Executive Board in September 2016.