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

Note to Executive Board representatives

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For: Review

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General comments

1. The Independent Office of Evaluation of IFAD (IOE) undertook a country programme evaluation (CPE) in Brazil in 2015. The associated agreement at completion point (ACP) was signed in December 2015. As per established practice, the ACP – containing a summary of the main CPE findings and recommendations – has been included as an appendix to the Brazil country strategic opportunities programme (COSOP) to be considered by the Board at its 117th session in April 2016.
2. IOE expresses appreciation to both the Government of Brazil and the Latin America and Caribbean Division of IFAD for their constructive engagement and cooperation throughout the CPE process. In particular, a key step in the CPE process was the organization of a national round-table workshop in Brasilia in October 2015, which provided an opportunity for multiple stakeholders to discuss the key findings and recommendations from the CPE, as well as to reflect on the main directions of the Brazil-IFAD partnership moving forward.
3. The Brazil COSOP is an important document. The country has the largest number of rural poor in Latin America and the Caribbean, the biggest financial allocation under IFAD's performance-based allocation system (PBAS), and six ongoing operations in their initial stages of implementation. Further activities are foreseen over the period of the Tenth Replenishment of IFAD's Resources (IFAD10) (2016-2018), including the financing of new investment projects and programmes.
4. IOE is generally satisfied that the CPE's recommendations have been incorporated into the new COSOP. The COSOP pays due attention to agricultural production, food security and nutrition alongside non-farm activities; lays the groundwork for the development of gender strategies and South-South and Triangular Cooperation (SSTC); ensures a focus on knowledge management and partnerships with a broader range of institutions working in the rural sector, and also multilateral organizations including the Rome-based agencies; tightens the link between lending and non-lending activities; and introduces a single monitoring and evaluation framework for the entire the project portfolio.
5. Based on the CPE and ACP, IOE wishes to underscore some issues for Management and Government to consider moving forward. These are set out in the section below.

Specific comments

6. An ambitious country programme commensurate with the demand for IFAD assistance. As mentioned above, IFAD currently has six ongoing investment projects in Brazil. Two further operations are foreseen in the IFAD10 period, one in the state of Maranhão, which has not benefited from IFAD assistance in the past. All eight operations are likely to be ongoing beyond the IFAD10 period.
7. This will pose significant challenges for IFAD in terms of monitoring, self-evaluation, and supervision and implementation support. A further challenge will be the need to meet the increasing demand to engage in non-lending activities and SSTC, while ensuring that investment operations are on track and are generating the desired results in terms of rural poverty reduction. The concern is whether in light of the available human and financial resources IFAD has the required capacity to deliver such an ambitious programme in the coming years.
8. Resource requirements. With regard to the above, the CPE had recommended that IFAD "cost" the new Brazil COSOP, in order to define the human and financial resources required (e.g. in terms PBAS allocations, regional and country grants,

and administrative budget) to achieve COSOP objectives. However, as mentioned in the ACP by Management, “pending the development of such a methodology, guidelines or approach, it will not be possible to apply this specific CPE recommendation to the new Brazil COSOP”. IOE appreciates the difficulties faced in costing this COSOP but encourages Management to develop the required methodology/guidelines to facilitate such a process in future, for COSOPs in general.

9. Engagement of the private sector. The CPE found that there is potential to further expand the role of the private sector in IFAD operations, for example, in value addition to farm produce, provision of rural finance, supply of inputs and provision of technical assistance. This dimension will require more attention in the future, and IOE therefore appreciates the commitment made in the COSOP (paragraph 39) to strengthening partnership with the private sector across the country programme.
10. Monitoring and evaluation. IOE welcomes the attention devoted in the COSOP (paragraphs 31-32) to self-evaluation activities at the project level, across non-lending activities and at the COSOP level. The proposal to conduct COSOP annual reviews, a midterm review in 2019 and an independent evaluation of the COSOP in 2022, are also positive features.
11. A related concern raised by the CPE was the delay in collecting baseline data. Such data had not been collected for any of the six ongoing operations at the time of the CPE, though provisions were being made to do so. IOE underlines the importance of timely collection of baseline data for all projects (current and future), as this facilitates the assessment of the outcomes and impact of operations at an appropriate stage.
12. IFAD’s decentralization. IFAD has an effective country office in Salvador de Bahia, run by three locally recruited staff members. The office’s main focus is on supporting investment operations. The CPE recommended the outposting of the country programme manager (CPM) from headquarters to Brazil as a measure to further strengthen IFAD’s role in non-lending activities and SSTC. IOE understands why this recommendation cannot be implemented in a timely manner, and appreciates Management’s commitment to assess carefully the possibility of outposting the CPM to Brazil “under the current budget and staffing constraints, and as part of the overall decentralization strategy”.

Final remarks

13. In general IOE finds the new Brazil COSOP to be a sound document and appreciates the concrete efforts made by both Management and the Government to follow up on the 2015 CPE recommendations.