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President's report

Proposed grant under the private-sector grants window to Delivery Associates for the programme for Driving Delivery of Results in the Agriculture Sector

Note to Executive Board representatives

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For: Approval

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant as contained in paragraph 20.

President's report on a proposed grant under the private-sector grants window to Delivery Associates for the programme for Driving Delivery of Results in the Agriculture Sector

I. Background and compliance with IFAD Policy for Grant Financing

1. In the global efforts directed to the 2030 Agenda for Sustainable Development and achievement of the 17 Sustainable Development Goals (SDGs), the development community and governments have agreed on 230 indicators for making the goals a reality. IFAD's contribution to the 2030 Agenda and the SDGs will be shaped during the Eleventh Replenishment of IFAD's Resources (IFAD11). In the most recent consultations for IFAD11, IFAD's Member States agreed on a set of new priorities for the period from 2019 to 2021. The first key message of IFAD11 consultations is that "business as usual" is not sufficient for achievement of the SDGs related to the rural sector.
2. Without adequate in-country results-based management systems capacities in place, achieving and tracking development outcomes is challenging. Recognizing this gap, most efforts to date – both from IFAD and from other development partners – have focused on increasing the internal capacities of their own institutions.
3. The proposed programme is in line with the goal and objectives of the IFAD Policy for Grant Financing (2015).¹ More specifically, this grant contributes clearly to the second objective of the grant policy: strengthening partners' institutional and policy capacity. To a lesser extent it also contributes to the fourth objective of the grant policy: generating and sharing knowledge for development impact.
4. In June 2017, IFAD adopted a new business model that also embraces the priority of not just strengthening IFAD's own capacity to better manage results, but also that of its Member States. Building country-level monitoring and evaluation (M&E) capacities is also one of the commitments agreed during IFAD11 consultations. This proposed grant is itself aligned with the IFAD11 commitment (under number 4.1) of strengthening capacity and systems to manage for better results.
5. This grant proposes to improve the achievement of results and the performance of rural development strategies and programmes in selected countries by setting clear priorities, improving institutional capacities and improving the results delivery chain. This will be imparted through tailored support, setting up delivery units in ministries of agriculture with application of the Deliverology approach. The proposed grant is focused on providing intensive in-country support over a two-year period to five IFAD member countries. Clear criteria have been established for the selection of these countries.
6. The Deliverology approach is recognized globally and has been adopted by governments in 25 countries to enhance service delivery. IFAD Member States were introduced to the approach during IFAD11 consultations. This was well received, with consensus on the need to establish delivery units in countries in order to

¹ See EB 2015/114/R.2/Rev.1.

provide capacity and implementation support to governments. The delivery units will assist in implementation of the ambitious IFAD11 commitments undertaken to help governments meet Agenda 2030.

7. IFAD has already deployed two interlinked initiatives under its development effectiveness framework, addressing gaps in in-country M&E capacity and systems. The first is the Programme in Rural M&E (PRiME) to improve capacities for measurement at the programme management unit level. The second is the Advancing Knowledge for Agricultural Impact (AVANTI) grant, which will identify gaps in national results management systems in 20 countries and develop action plans. This new grant complements and furthers these initiatives by providing incentives to policymakers for the use of data to inform decision-making, monitor and drive accountability, and push for results.

II. The proposed programme

8. The overall goal of the programme is to further enhance citizen progress – especially that of rural citizens – towards achievement of relevant SDGs, in particular SDG1 (No poverty) and SDG2 (Zero hunger), in selected IFAD Member States, through improving efficacy in realizing selected critical government priorities in agriculture and related sectors in each country. The objective is to improve the institutional capacities in the centre of government and in the Ministry of Agriculture, to better enable achievement of results on country rural development strategies and programmes in selected beneficiary countries.
9. The target group will be composed of senior officials of the Ministries of Agriculture and other implementing agencies in the five participating national governments in Africa. Key leaders in government must be actively convinced to buy into the principle of results-based management. In particular, key leaders – most particularly the head of government (or alternatively the Minister of Agriculture) – must be willing to invest the unit with their full authority and provide it with appropriate political “cover” to operate within the ministry and the sector as a whole. Effective delivery units would be situated within the office of the head of government. In each case, the unit head must report directly to the head of government.
10. The programme will be implemented over three years, with the following components.
11. Component 1: Strengthening results-based management and delivery systems in five IFAD member countries. Delivery Associates (DA) will work with the national government in the five selected countries to set up a high-quality, results-oriented delivery unit that is capable of delivering real and sustained benefit to the people of each country. At the heart of any delivery unit is a single non-negotiable point: everything it does must contribute to “moving the numbers” on priorities that citizens care about. DA has developed a series of technical tools and approaches that enable delivery units to achieve this goal. These tools and methods are drawn from DA’s proprietary framework. It captures the 15 essential elements of the delivery management model across a system of government. By using this framework to structure the grant’s activities in this engagement, DA will ensure logical sequencing and a fast pace in establishment of the results-based management framework within each national government.
12. Component 2: Building the skill and capacity of senior officials in results-based service delivery in five IFAD member countries. DA’s approach to capacity-building in delivery is grounded in the principles of working alongside people, modelling good practice, mentoring and providing real-time feedback. Based on these principles, DA will coach and mentor national officials “on the job” in order to transfer core knowledge and skills in results-based performance management. DA will intensively mentor officials within each of the five delivery units, as well as selected individuals across the Ministry of Agriculture who occupy

key positions within the delivery chain. The objective of this training programme will be to equip the delivery unit and key officials with the theory, mindset, tools and practical skills necessary to independently lead results-based delivery of citizen-focused reform efforts.

13. Component 3: Programme management, including knowledge management, M&E and communications. DA will name one senior programme leader to lead the overall work and progress in this grant. This programme leader will be a thoroughly experienced leader with experience in having successfully created results-based performance management frameworks for multiple governments throughout the world. Supporting the senior programme leader, DA will deploy programme leaders to act as country leaders in each country. They will be responsible for the relationship with the government in that country and will lead the work with the delivery unit on a day-to-day level. In addition, the programme will have a small central team. This team will share learnings between country teams, communicate the impact of the programme to external parties, and create specific “knowledge products” to further enhance the programme’s utility as a public good.

III. Expected outcomes/outputs

14. The programme is expected to have the following outcomes/outputs:
 - (i) Strengthened results-based management and delivery systems for the Ministries of Agriculture in five IFAD member countries, enhancing each country’s ability to deliver measurable improvements on citizen outcomes in that country. Doing so will consequently improve the performance of IFAD-financed projects in that country. Key outputs are:
 - Delivery unit set up and functioning in each member country;
 - Tangible progress against key outcome indicators (specific to each country);
 - Design of delivery plans; and
 - Completion of at least two stocktaking exercises for each priority defined.
 - (ii) Enhanced capacity of top-level civil servants in the selected countries, who will become adept at results-based performance management and delivery capacity, generating the required skills and know-how to continue to manage a results-based management system, including directly operating an effective delivery unit within the Ministry.
 - Coaching and mentoring of senior leaders in the delivery unit;
 - Skills and knowledge training programme for delivery unit staff;
 - Creation and maintenance of an online learning portal; and
 - Publication of a final report for external audiences, thus increasing interest in the results-based management approach.
15. Lessons learned and recommendations from previous experiences have been incorporated throughout the design document. Special attention has been given to the sustainability risk of established delivery units being discontinued. Mechanisms have been put in place ensuring political commitment, government buy-in and the proper constellation of factors for implementation of the delivery units.

IV. Implementation arrangements

16. Careful choice in the participating countries is essential. In particular, it is absolutely essential that the Minister of Agriculture in each participating country buy into this work. He/she must both want to participate in this programme, and

actively support it. Criteria for country selection are: being willing to contribute to the programme financially; having a degree of political stability and no upcoming national elections; having participated in the AVANTI programme; being either a low-income country or a lower-middle-income country (with priority for African countries and countries in fragile situations); and being a country in which IFAD has a country presence and has a well-established track record of policy engagement.

17. DA's current intention is to commence working with two national governments during the first year of the programme. In year 2 of the programme, DA will continue to work with these first two governments (moving to a targeted support model), while beginning to work with additional governments, with support that will itself move to a targeted model during the third year of the programme.
18. DA will deploy a dedicated team to each country. The teams will be fully embedded within the delivery unit: the norm for DA is for its teams to be placed with the national government whenever possible, to enhance and promote capacity-building.
19. There are no deviations from the standard procedures for financial reporting and audits.

V. Indicative programme costs and financing

Table 1
Costs by component and financier
(Thousands of United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>Delivery Associates</i>	<i>Total</i>
1. Component 1: Strengthening results-based management and delivery systems	2 600	520	3 120
2. Component 2: Building the skill and capacity of senior officials	497	99	596
3. Component 3: Programme management	403	81	484
Total	3 500	700	4 200

Table 2
Costs by expenditure category and financier
(Thousands of United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>Delivery Associates</i>	<i>Total</i>
1. Equipment and materials	104	22	126
2. Salaries and allowances	2 755	552	3 307
3. Consultancy	109	20	129
4. Travel/allowances	532	106	638
Total	3 500	700	4 200

VI. Recommendation

20. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance in part the programme on Driving Delivery of Results in the Agriculture Sector, shall provide a grant of three million five hundred thousand United States dollars (US\$3,500,000) to Delivery Associates for a three-year programme, upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Gilbert F. Hougbo
President

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Improve the outcomes for citizens related to the SDGs – and especially rural citizens – in selected IFAD member countries, through improving the efficacy of selected critical government priorities in the agricultural sector in that country	Country-level indicators related to SDG1 and SDG2.	Independent assessment arranged by IFAD against SDG progress	Other efforts to improve progress against SDGs are implemented in parallel including securing sufficient financial resources
Objective	Improve the institutional capacities in the Center of Government and the Ministries of Agriculture in beneficiary countries, to better enable results' achievement of rural development country strategies and programmes in selected beneficiary countries.	% stakeholders who believe the Ministry's institutional capacity has increased	Perception survey of the Ministries' institutional capacity by in-country stakeholders (politicians, media, academics, etc.)	Member countries undertake additional improvements in other areas of institutional reforms
Outcomes	<p>(1) Strengthened results-based management and delivery systems for the Ministries of Agriculture in 5 IFAD member countries, enhancing each country's ability to deliver measurable improvements to citizen outcomes in the rural sector in that country.</p> <p>(2) Enhanced capacity of top-level civil servants in the selected countries, who will become adapt at results-based performance management and delivery capacity, generating the required skills and knowhow to continue to manage a results-based management system, including directly operating an effective Delivery Unit in the Ministry.</p>	<p>% increase in project performance ratings in selected IFAD-funded projects in member countries (exact indicators to be agreed at country level)</p> <p>% top officials in the Head of the Government or Ministry who believe Delivery Unit is operating effectively and is adding value to the Head of the Government or Ministry</p>	<p>Indicators of rural development programmes</p> <p>Results-framework of country strategies for rural sector development</p> <p>Perception survey of the Delivery unit by key internal 'customers'</p>	<ul style="list-style-type: none"> • Delivery units staff remain in their roles for duration of project and are permitted to allocate sufficient time to focus on capacity building • Member country's willingness to resource and empower Delivery Unit • Political willingness in member country to select limited set of priorities for delivery unit. Political willingness to take appropriate decisions as required • Sufficient funds allocated and disbursed to priority projects in a timely fashion
Key Activities /Outputs	Component 1: Strengthening results-based management and delivery systems in 5 IFAD member countries	Design of a delivery plans (1 for each priority for each member country)	Written stocktake documents (presentation,	Willingness of senior leaders to participate in stocktake

<ul style="list-style-type: none"> • Delivery Unit set up and functioning in each member country • Tangible progress against key outcomes indicators (specific to each country) 	<p>Completion of at least 2 stocktakes for each priority defined in each of the country members (subject to government willingness)</p> <p>Progress against key outcome indicators (precise metric agreed bespoke with each country)</p>	<p>agenda, minutes)</p> <p>To be confirmed when specific milestones agreed with each country)</p>	<p>Staff remain in role for duration of project and have sufficient time, focus and resources to allocate to personal capacity building</p>
<p>Component 2 – building the skills and capacity of senior officials in 5 IFAD member countries in results-based management delivery</p> <ul style="list-style-type: none"> • Coaching and mentoring of senior leaders in delivery unit • Skills and knowledge raining programme for delivery unit staff 	<p>Proportion of senior staff reporting higher perceived job efficacy</p> <p>Proportion of junior staff reporting higher perceived job efficacy</p>	<p>Participant survey</p> <p>Participant survey</p>	<p>Securing permission from member governments to share materials on portal and to allow staff to access</p>
<p>Component 3 – project management, including knowledge management, M&E and communications</p> <ul style="list-style-type: none"> • Creation and maintenance of online learning portal • Publication of final report to external audiences, increasing interest in results-based management approach 	<p>Number of visits to learning portal</p> <p>Production and publication of post-project report</p>	<p>Website analytics</p> <p>Report published in 1x (or more) external forum or event</p>	<p>Securing permission from member government to publish information</p>

Financial Governance

Given the selection of a private sector entity as the recipient (see appendix III for details on the competitive selection process), the strictest financial management and governance frameworks are being set in place. These will ensure that IFAD resources are being used most efficiently to achieve the objectives of the project. This appendix covers some details on: a. financial management overview, b., financial management systems, and c. audit arrangements.

a. Financial Management System, including accounting specifications

The programme financial management arrangements and internal control systems will be designed to satisfy IFAD's minimum requirements to provide accurate and timely information on the progress of programme implementation and guarantee the separation of functions through several levels of independent controls to implement appropriate risk mitigation measures to ensure accountability of funds.

Delivery Associates internal control and quality management system includes institutionally regulated financial procedures and international accounting standards. The basis for these procedures and standards are set forth in the financial manual.

A separate grant designated account will be opened for the programme to receive funds from IFAD and will be managed by Delivery Associates.

Delivery Associates business relations are based on high ethical standards highlighted by its ISO 9001 certification.

b. Procurement procedures for goods, services and human resources

Delivery Associates internal control and quality management systems include institutionally regulated operational standards. The basis for these standards and procedures are set forth in various manuals. Delivery Associates will employ staff and procure consulting services, and will procure ticketing services and accommodation. Delivery Associates HR policy and guidelines will be applied. Delivery Associates will follow IFAD procurement policy and, if it conforms to this policy, our procurement policy and travel costs as administered by our UK-based travel team.

c. Audit Arrangements

Independent and certified auditor perform audits of the financial statements of Delivery Associates every year. The audit comprises in the statements of comprehensive income, statement of financial position, statement of changes in equity and the related notes. Assurance that the financial reporting framework applied is applicable to law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Delivery Associates maintain separate records and financial accounts prepared in accordance with internationally recognized standards in respect of the Grant; and shall ensure that the entire Project Implementation Period is covered by audit. The Recipient shall have its institutional accounts audited every year by independent auditors acceptable to IFAD in accordance with the audit procedure standard agreed upon between Delivery Associates and IFAD. It shall deliver to IFAD a copy of its audited financial statements which shall include specific reference to the Grant, within six (6) months after the end of each Recipient's Fiscal Year. The Recipient shall ensure that within its audited financial statements, or separately, an Audit Opinion Letter on the Statement(s) of Expenditure submitted to IFAD during the fiscal year is duly completed by its independent auditor.

Appendix III Overview of selection process and rationale for selection of private sector recipient

Overview of selection process and rationale

The selection of the recipient was made under an closed competitive process at concept note stage, whereby 15 potential bidders have been pre-identified and been invited to elaborate a concept note. The call for proposal was open for two weeks in February 2018. A one week question period was opened after the launch of the call.

The evaluation team and observer panel were set up with representation from the Operational Policy and Results division (OPR), Western and Central African Region Division (WCA), the special advisor to the AVP of PMD and the Partnership and Resource Mobilization Division (PRM), and the financial management (FMD), legal (LEG) division.

Four proposals were received from the following bidders by the closing date (proposals shared with panel and observers):

1. Delivery Associates
2. Centre for Public Impact
3. FAO
4. UNDP

The four members of the Competitive Screening Evaluation Team (CSET), with support from the three observers, evaluated each of the proposals according to set mandatory, as well as weighted criteria which were shared with applicants. The weighted criteria were: i. Relevance/Linkages ii. Technical content; iii. Value for money; iv. Implementation capacity; and v. Scaling up/sustainability.

The key principles of inclusiveness, impartiality, transparency and rigour have been met throughout the process, as summarized below:

- **Inclusiveness:** The selection was based on an closed call whereby all potential bidders have been invited to submit a proposal.
- **Impartiality:** The bidders were given two weeks month from receiving the invitation to the deadline for submission. All the proposals and documented capacities of the bidders were rated with the same criteria stated in the evaluation sheet that was prepared at the time of the call and was used by all evaluators. Each criteria was discussed and the final scores agreed during the evaluation meeting.
- **Transparency:** All bidders had access to the same call for proposals document. During the question and answer period no questions have been asked. The evaluation criteria were included for everyone to see in the call for proposals document.
- **Rigor:** Nine proposals were submitted and were evaluated. The evaluators covered all technical aspects, the IFAD country management perspective and linkages to the IFAD loan projects. In addition the evaluation benefitted from guidance from Finance and Legal IFAD experts as observers. These meeting minutes present all data related to the evaluation process. All communication and documents submitted from bidders are filed in OPR grant archives.

During the CEST and after analyzing all strengthens and weaknesses of each proposal, all evaluators agreed to select the proposal submitted by Delivery Associates (DA). The selection was agreed consensually during the meeting.

Brief overview of private sector recipient and partner

Delivery Associates (DA) is the leading public sector advisory group focused exclusively on implementation of large-scale reform, establishment of delivery management models (especially Delivery Units) and capacity building in Deliverology. DA has unrivalled expertise on the result-based delivery management model and its application to help governments achieve ambitious goals for their citizens. DA's collective intelligence is a combination of the shared knowledge DA has developed and their hands-on experience in applying it to different government contexts. First and foremost, DA is a mission-driven organization with a single moral purpose: DA has been established to improve the effectiveness and accountability of government worldwide.

Since then, DA has helped governments on every continent to successfully adopt the delivery management model across a range of sectors in government, including economic development, infrastructure, education, and health. DA's leaders have written all four seminal books on the subject, which have informed public officials and practitioners on best practices to improve government performance and effectiveness across a range of contexts.²

Of all of DA's qualifications, however, the most important are the tangible results DA has helped achieve for the citizens of the countries where they worked. Delivery Associates does not consider themselves successful unless DA has moved the needle on outcomes that citizens care about. This is a consistent part of DA's record of accomplishment in all of the work they do – and will be the approach that DA brings to this work.

To date, Delivery Associates has advised over 25 countries and in 6 continents around the world on the creation and operation of their results-based management approach, often involving the creation of Delivery Units. DA has deep experience in working in LIC and LMICs in Africa, South Asia and elsewhere. DA's experience in results-based project management spans across sectors.

The design process duly involved a private sector specialist and specific documentation for private sector recipients was submitted and reviewed and a reputational risk screening and full due diligence was conducted on the company and no issues raised that would preclude the company from managing and implementing the proposed project.

² Instruction to Deliver (Barber, 2007), Deliverology 101 (Barber, Moffit, and Kihn, 2011), Deliverology in Practice (Barber, Rodriguez, and Artis, 2015), and How to Run a Government (Barber, 2015)