Document: EB 2018/125/R.28/Add.1
Agenda: 5(d)(iv)(a)
Date: 21 November 2018
Distribution: Public
Original: English

E

Investing in rural people

Comments of the Independent Office of Evaluation of IFAD on the Country Strategic Opportunities Programme for the Arab Republic of Egypt

Note to Executive Board representatives

Focal points:

Technical questions:

Oscar A. Garcia
Director
Independent Office of Evaluation of IFAD
Tel.: +39 06 5459 2274
e-mail: o.garcia@ifad.org

Johanna Pennarz
Lead Evaluation Officer
Tel.: +39 06 5459 2558
e-mail: j.pennarz@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Chief
Governing Bodies
Tel.: +39 06 5459 2374
e-mail: gb@ifad.org

Executive Board — 125th Session
Rome, 12-14 December 2018

For: Review

Comments of the Independent Office of Evaluation of IFAD on the Country Strategic Opportunities Programme for the Arab Republic of Egypt

I. General comments

1. In 2016, the Independent Office of Evaluation of IFAD (IOE) conducted the second country strategy and programme evaluation (CSPE) in the Arab Republic of Egypt covering the period from 2005 to 2016. Its objectives were to assess the results and performance of previous country strategic opportunities programmes (COSOPs) and generate findings and recommendations for the new COSOP. The agreement at completion point for the CSPE is attached as an appendix to the new COSOP for 2019-2024.

2. The fourth COSOP for Egypt builds on experience from 38 years of programme implementation in the country. The COSOP clarifies IFAD's strategic focus on areas in which it has a comparative advantage, including:

   (i) Creating more efficient use of land and water resources;

   (ii) Streamlining of rural finance;

   (iii) Creating better linkages to value chain and marketing; and

   (iv) Continuing the emphasis on gender.

3. IOE acknowledges that the COSOP took into consideration the CSPE findings and its five recommendations, which are to: (i) sharpen poverty and geographic focus, and refine poverty targeting; (ii) sharpen thematic focus and improve feasibility of design; (iii) establish a structure for effective coordination and technical support within a progressive programmatic approach; (iv) manage knowledge from loans and grants to support learning and innovation; and (v) prepare a strategy for effective capacity-building of community-level institutions with a focus on scaling up under the new COSOP.

4. The paragraphs below detail the extent to which the COSOP document covered the performance issues raised by the CSPE, and how the related recommendations could have been addressed more clearly.

II. Specific comments

5. Geographic focus. The CSPE concluded that concentrated and focused approaches have addressed poverty more effectively in the past, and therefore recommended that IFAD should reduce the geographic coverage of its projects to fewer governorates within the same region. Hence the COSOP's intention to focus IFAD's investments on one or two priority governorates is welcome. This COSOP does, however, not clarify the geographic focus of the country programme or how it intends to address the diversity of local conditions. Socio-cultural and poverty issues differ significantly between Upper and Lower Egypt. Since most poor people live in Upper Egypt, IFAD's programmatic focus should be in this region (as highlighted in the 2004 and 2016 CSPEs). IFAD has engaged in both the "new lands" and "old lands" in the past; these areas' agro-ecological and economic conditions, and issues related to poverty, differ significantly and will need to be addressed in different ways. Therefore, IOE recommends that the strategy should be explicit about the geographic focus and approach.

6. Institutional issues. The CSPE concluded that partnerships have a narrow focus on key implementing partners, and that institutional bottlenecks have not been addressed. The new generation of larger and more complex operations requires a broader partnership approach to resolve the institutional and coordination issues hampering implementation. Recommendation 3 was specifically

intended to resolve the persistent issue of weak coordination within the country programme. The agreement at completion point recognizes the importance of enhanced institutional coordination and the need to adopt a more holistic programmatic approach. Hence, the proposed establishment of a central project coordination unit is a major milestone. Other important issues were not considered in the COSOP document, including: (i) the engagement of the Ministry of Water Resources and Irrigation in the new programmatic cycle given that the thematic focus of the COSOP will be on water-management issues; (ii) the significant capacity issues within project management units; and (iii) the governorates' role in programme management and coordination.

7. Local institutions. The CSPE emphasized that insufficient funding for capacity development has negatively affected programme implementation at the community level. The absence of a coherent and long-term strategy to build local institutional capacities, and the recurrent issue of insufficient allocation of capacity-building funds were major factors limiting the country programme's effectiveness. The CSPE recommended that IFAD take stock of existing institutions and the legal and policy framework. Based on this analysis, the COSOP should include a strategy for effective capacity-building and policy engagement within rural institutions supported by IFAD. IOE appreciates that the agreement at completion point commits to taking stock of the entire portfolio, including the grant portfolio. The agreement at completion point also calls for effective capacity-building in coordination with other development partners, and an explicit focus on supporting water-user associations in the new COSOP. However, the COSOP provides no guidance on such a comprehensive and inclusive approach, which would have given it more credibility.

8. Policy engagement. The COSOP's goal on policy engagement (strategic objective 2), with focus on irrigation water management and inclusive rural finance, seems ambitious given the difficult context and limited opportunities IFAD has had in the past to engage on policy issues. Previously, IFAD's most active policy engagement was on rural finance, although it did not seek to become directly involved in the reform of the rural finance sector. In the new COSOP, two of the three expected outcomes for strategic objective 2 refer to thematic areas (water resources, rural women and youth) in which partnerships were underdeveloped in the past. Any policy engagement in these areas will require new or improved partnerships to be built (e.g. with the Ministry of Water Resources and Irrigation, and the National Council for Women). IOE recommends that this kind of engagement should be grounded in lessons learned from loan- and grant-funded projects.

III. Final remarks

9. IOE appreciates that the new COSOP for Egypt addresses the recommendations from the 2017 CSPE and the follow-up actions outlined in the agreement at completion point. However, IOE judges that the COSOP could have been more explicit on how performance bottlenecks highlighted by the CSPE will be resolved.