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

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For: Review

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

I. General comments

1. The Independent Office of Evaluation of IFAD (IOE) conducted its second country strategy and programme evaluation (CSPE) in the Republic of Tunisia in 2018 covering the period from 2003 to April 2018. The agreement at completion point for the CSPE has been attached as an appendix to the new country strategic opportunities programme (COSOP) for 2019-2024.
2. The COSOP builds upon IFAD's extensive experience in Tunisia financing natural resource management investments and rural infrastructure, and its more recent engagement in agricultural value chain development. It acknowledges the limitations of the previous country strategy and programme, as highlighted by the CSPE, namely that: (i) activities directly targeting the poorest and most vulnerable households, rural women and young adults accounted for a modest proportion of the financing, and some activities suffered from inconsistent follow-up; (ii) scaling up of results was constrained by a lack of involvement from regional and national authorities in the projects, the low priority given to knowledge management in the portfolio, and IFAD's limited policy engagement in the country; and (iii) there were sustainability risks related to the overexploitation and salinization of water resources, insufficient attention to soil fertility and the limited capacity of local organizations responsible for managing the natural resources.
3. The new COSOP engages IFAD and the Government to better target the poorest and most vulnerable rural populations, especially women and youth, using poverty mapping, and enhanced communications and consultations with target groups. Greater emphasis will be placed on targeted income-generating activities, along with more attention to financing mechanisms and closer monitoring of targeting effectiveness. The COSOP also commits to strengthening the social and environmental sustainability of investments.

II. Specific comments

4. Strategic objectives and proposed intervention domains. The COSOP incorporates three strategic objectives: (i) Better access to productive infrastructure and sustainable natural resource management; (ii) Inclusion of rural poor people in more structured agricultural value chains; and (iii) Economic and social empowerment of vulnerable rural women and youth. The first and second objectives, and respective proposed actions, justify the ongoing portfolio and the next project in the pipeline. The third objective introduces more affirmative targeting of women in ongoing and future projects. These objectives are broadly in line with CSPE recommendations, but the proposed intervention approaches lack specificity.
5. For example, it is not clear from the COSOP whether, as recommended, rural infrastructure and natural resource management investments will be financed by IFAD only when they are required to leverage innovative approaches such as inclusive value chain development, decentralized development and soil fertility management. It is also unclear from the proposed actions under the second objective how the inclusiveness of value chains will be ensured, as recommended by the CSPE. It is important that IFAD go beyond general statements of intent by clarifying what measures will be taken to ensure that the poorest and most vulnerable rural people fully share in the benefits of value chain development, without incurring additional risks. For the third objective, the proposed

interventions (promotion of income-generating activities and access to finance) are essentially the same as those attempted unsuccessfully in several previous IFAD-funded operations in Tunisia. The COSOP could have been more explicit regarding what will be done differently in future interventions to increase the chance of success.

6. **Project pipeline.** The COSOP does not provide a strong rationale for geographic targeting of the future portfolio. It does not explain clearly why the first project in the proposed project pipeline would be in the Kairouan region and would be very similar to the ongoing projects in Médenine and Siliana, while the second project would be a country-wide intervention on a presently unconfirmed theme. The CSPE and the COSOP both recognize that IFAD has a comparative advantage in remaining within the same region for a sufficient duration to achieve lasting impact. IFAD recently expanded its intervention area in Tunisia to Médenine region, where a follow-up project might be needed considering the delays encountered in implementation and the significant time required to develop inclusive and sustainable value chains. The COSOP could have provided a stronger justification for moving into another geographical area rather than consolidating its recently initiated intervention in Médenine region. It could have also provided a better explanation of why the second intervention would follow a novel thematic approach with national scope.
7. **Internal logic and results management framework.** The COSOP does not present the theory of change of the country strategy, which would have been useful to explain the internal logic of the strategy and external factors that may affect expected changes along the impact pathways. The proposed results framework links the strategic objectives of the COSOP to national goals and the Sustainable Development Goals. It provides useful milestone indicators, which are linked to direct, quantifiable outputs from project interventions. However, most outcome indicators linked to the strategic objectives do not clearly reflect the changes expected from IFAD's support to Tunisia, and could have been more specific about targeting. This is important since the COSOP proposes that these indicators become the main reference point for monitoring the country strategy and evaluating results.
8. **Partnerships.** In line with a CSPE recommendation, the COSOP proposes to foster partnerships with the private sector in downstream links of value chains where public service providers lack the necessary capacity. The CSPE also recommended that regional and local authorities engage more in project interventions in the context of the ongoing decentralization process, but this is not echoed in the new COSOP. While the COSOP proposes more strategic engagement of IFAD in donor forums and the United Nations Development Assistance Framework, it could have been clearer on how the structure of IFAD's country team will evolve to make this stronger engagement possible.

III. Final remarks

9. IOE appreciates that the new COSOP for the Republic of Tunisia addresses the main recommendations of the CSPE related to targeting of rural poor people, environmental sustainability of IFAD interventions and scaling up of innovations. Nonetheless, the document could have been more specific about how IFAD intends to resolve critical issues highlighted by the evaluation, such as how to: make value chains more inclusive; make support for income-generating activities and microenterprises more effective; and increase IFAD's engagement in policy making on pro-poor rural development.