
Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Islamic Republic of Pakistan

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Action: The Executive Board is invited to review the comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme 2023–2027 for the Islamic Republic of Pakistan.

Technical questions:

Indran A. Naidoo
Director
Independent Office of Evaluation of IFAD
e-mail: i.naidoo@ifad.org

Fumiko Nakai
Senior Evaluation Officer
Independent Office of Evaluation of IFAD
e-mail: f.nakai@ifad.org

Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Islamic Republic of Pakistan

I. General comments

1. The Independent Office of Evaluation of IFAD (IOE) undertook a country strategy and programme evaluation (CSPE) in the Islamic Republic of Pakistan in 2020. The CSPE covered the period 2009–2020.
2. The CSPE found that overall, complementing the Government’s social protection and poverty alleviation programmes, the IFAD portfolio had had positive impacts on the living conditions and livelihoods of the rural poor (e.g. through rural infrastructure, the provision of productive assets and skills training). Support for community institutions had contributed to the effectiveness and sustainability of community-level infrastructure. The portfolio had also made important gains in women’s social and economic empowerment, particularly in light of the challenging gender context in Pakistan.
3. At the same time, the CSPE found that, during the evaluation period, the lending portfolio became skewed towards asset transfer and skills training that were targeted at individual households based on the poverty scorecard, with limited attention to addressing structural constraints. The projects did not focus enough on improving and influencing institutions, policies and systems to create enabling conditions for pro-poor solutions that endure beyond the project period. The portfolio could also have integrated natural resource management and climate change adaptation more systematically. Given IFAD’s relatively small resource envelope compared to many other development agencies in Pakistan, the CSPE underlined the importance of promoting innovations and scaling up, along with stronger and more strategic partnerships for greater added value and impact.
4. The CSPE findings and recommendations were presented and discussed with IFAD, the Government and other partners at a virtual workshop organized in June 2021. The agreement at completion point for the CSPE, signed by IFAD and the Government in July 2021, indicated their agreement with the following CSPE recommendations:
 - **Recommendation 1:** Place greater emphasis on inclusive market systems development, with due attention to climate resilience and natural resource management.
 - **Recommendation 2:** Articulate a strategy to promote innovations and scaling up for greater rural poverty impact.
 - **Recommendation 3:** Place more emphasis on strengthening and linking with institutions, policies and systems for greater likelihood of sustainability.
 - **Recommendation 4:** Adopt a more flexible and differentiated approach in targeting and programming.
 - **Recommendation 5:** Broaden and strengthen partnerships with other development agency partners and non-governmental actors while upgrading the IFAD Country Office and its support systems.
5. The new country strategic opportunities programme (COSOP) for Pakistan covering the period 2023–2027 proposes two strategic objectives: (i) enhancing the productivity and profitability of smallholder farmers through climate-resilient diversification and an agribusiness approach; and (ii) fostering inclusion of the landless and ultra-poor households through an economic graduation approach. The

COSOP envisages a linkage between these two strategic objectives in that the results under the first (mainly for smallholder farmers) are to offer economic opportunities for the landless and ultra-poor households relating to the clusters supported under the first strategic objective. CSPE recommendation 1 – around inclusive market systems development – is thus reflected in the first strategic objective and, to some extent, also in the second.

6. At the same time, the proposed country strategy is formulated in a rather general manner. Most of the elements are based on the ongoing portfolio and the document is not specific regarding possible locations/geographical coverage or sectors/subsectors for future support – or how these would be identified. Overall, the main text does not recognize explicitly the great diversity in the country, rural and poverty contexts – including agroecological, socio-economic and cultural issues, inequality and power relations – and their implications for the country strategy. Appendices III and IV provide more detailed analyses (e.g. differences between provinces, agroecological zones) but these are not well reflected in the strategy.

II. Specific comments

7. **Strategic consideration for sectoral/thematic and geographical focus for pro-poor programming.** The COSOP is largely silent on geographical or sector/subsector priorities and the plans on IFAD's future interventions are unclear. The main text does not provide any indication of potential projects (only noting "to be determined" in table 1). Appendices I and XII mention three indicative projects (one in Sindh and two in Punjab) but how these proposals were identified and would be aligned with strategic priorities for the IFAD country programme is not evident.
8. Indeed, the COSOP could have been clearer about geographical priorities and key considerations such as the level or depth of rural poverty and inequality, food and nutrition insecurity, vulnerability, causes of poverty and marginalization, opportunities for inclusive economic development, strategy and capacity of subnational governments, as well as other partners' initiatives vis-à-vis IFAD's strengths.
9. The CSPE suggested identifying the most relevant potential subsectors or thematic foci to the rural poor based on diagnostic analyses. While not explicit, different sections of the COSOP indicate that the first strategic objective is mostly related to high-value crops. Livestock is mentioned as being a pro-poor productive activity and important for women's livelihoods (appendix III), but there is no reference to livestock as a potential area of investment. As to the crop subsector, it is not clear whether irrigation (new or rehabilitated infrastructure) and/or rainfed crops would be supported. In the case of irrigation, how would the potential issues of inequality in access to irrigated land or water scarcity and water use efficiency be addressed?
10. **Target group and targeting strategy.** The document states that "the COSOP will target 1.5 million poor rural households (representing nearly 10 million rural people), comprising: (i) rural households living in chronic poverty; and (ii) small-scale farmers". The targeting strategy description (para. 35) is very general, with the continued use of poverty scorecards (to be complemented by other measures) being the only concrete item. As noted above, there is little discussion on geographical targeting and little consideration of subsectors/thematic focus, value chains and economic opportunities that are relevant to the rural poor.
11. **Innovations and scaling up.** The CSPE recommended (recommendation 2) that a strategy to promote innovations and scaling up for greater rural poverty impact be articulated, noting the need for a stronger emphasis on introducing innovations rather than financing the scaling up of initiatives or repeating a similar approach in consecutive projects.

12. Some ongoing or planned “innovations” in the new COSOP (para. 49) are rather vague in terms of what makes them innovative for specific rural development challenges (e.g. “value chain development as part of a cluster-based agriculture diversification and agribusiness approach”). Paragraph 50 (on scaling up) is mostly an account of what has been done or is being done, rather than a description of how IFAD intends to promote scaling up by the Government and other partners.
13. **Strategic partnerships.** The CSPE made a recommendation on broadening and strengthening of partnerships with other development agency partners and non-governmental actors. With regard to international development agencies, the COSOP is focused on cofinancing potential but it could have also considered other forms of strategic partnerships, e.g. for analytical work and policy engagement.

III. Final remarks

14. While IOE appreciates the preparation of the new COSOP, it also notes gaps regarding the follow-up to several CSPE recommendations. Although there may be challenges with the pipeline management (e.g. dealing with the federal and provincial governments), the COSOP could have nonetheless provided clearer directions in terms of strategic thinking on geographical and subsector/thematic priorities and focus (options and considerations) and the issue of targeting.