



Investing in rural people

## Executive Board

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# Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Argentine Republic

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Document: EB 2024/OR/21/Add.1

Agenda: 7(c)(i)

Date: 15 November 2024

Distribution: Public

Original: English

### **FOR: REVIEW**

**Action:** The Executive Board is invited to review the comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Argentine Republic.

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# Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Argentine Republic

## I. General comments

1. In 2024, the Independent Office of Evaluation of IFAD (IOE) conducted its second country strategy and programme evaluation (CSPE) in the Argentine Republic, covering the period 2011–2023, one country strategic opportunities programme (COSOP), six loans and a selection of seven grants.
2. During the evaluation period, the country went through a complex period politically, institutionally and economically, during which poverty quadrupled. In this context, IFAD's work in the country has become even more relevant and adds to its contributions to give greater visibility to family farming in a context where agricultural policy is usually dominated by a large and modern agro-export sector. The evaluation found that the country programme was well aligned with the priorities of the Government of Argentina and was appropriate for a sector of the population seriously affected by the deterioration of the country's economic situation. The programmes reached or exceeded the expected number of households and supported the empowerment processes of some groups of rural women.
3. Among the challenges encountered, the CSPE noted major deficiencies in all the monitoring and evaluation (M&E) systems. The results were modest in terms of improving the capacities of producers and the public institutions supporting rural development in the territories. The challenging implementation context mitigated the results in terms of increasing producers' incomes, especially during the latter years covered by the evaluation. In the absence of a strategy to identify, select and serve the beneficiary population, a significant portion of the target population have not received any support. The findings indicate gaps in the adaptation of the business plans to the needs of the various target subgroups considering their socio-organizational situation. Natural resource management and adaptation to climate change improved during the period under review, but serious challenges remain in connection with the sustainability of the country programme investments.
4. Additionally, several of the challenges noted in the previous CSPE (2010) persisted, including low portfolio efficiency. IFAD's human capacities to deal with the portfolio of programmes and support non-lending activities have been stretched. This situation had repercussions on country programme implementation and on the ability to undertake partnerships with other international organizations providing support for the country's agriculture sector and with key private sector actors, as well as on policy dialogue (considered very satisfactory in the previous CSPE).
5. The agreement at completion point signed by IFAD and the Government in October 2024 (included as an appendix to the new COSOP) indicated agreement or partial agreement on the CSPE recommendations, as follows: (1) strengthen the value added offered by IFAD in Argentina (agreed); (2) prepare IFAD interventions to address country volatility by introducing planned flexibility and greater operational and strategic support (partially agreed); (3) enhance IFAD's contribution to rural poverty reduction by adapting interventions to the needs of the different target population groups (agreed); and (4) strengthen the M&E system (agreed).

6. The new COSOP for Argentina 2025–2030 incorporates some of the key elements of the CSPE conclusions and recommendations. It proposes three strategic objectives: (i) support productivity and climate resilience of small family farmers (SFF); (ii) build linkages with the private sector to ease SFF access to markets and financial services; and (iii) build institutional capacities to foster inclusive rural development, especially at the provincial level. In general terms, the new COSOP takes into account the CSPE findings, with regard to: (i) emphasizing IFAD’s role in increasing the relevance and visibility of family farming; (ii) the need to continue building institutional capacities and public policies related to rural development and family farming; (iii) support to establish consultative platforms on sectoral programmes and policies; and (iv) the need for a more robust M&E system with measurable, achievable, relevant and time-bound indicators.

## II. Specific comments

7. **Theory of change.** IOE found the development of a theory of change in the COSOP useful, but identified some gaps. The theory of change in appendix XII does not show clearly the three pathways described in paragraph 36. The theory of change does not include assumptions and does not give enough consideration to non-lending activities (knowledge management, partnerships, country-level policy engagement). The Results Management Framework in appendix I includes the reduction of poverty of beneficiaries as a key COSOP goal indicator (as one of the impacts in the theory of change). This indicator goal will be challenging to measure as the contribution of IFAD’s country programme will be difficult to isolate from other factors. Moreover, another main impact in the theory of change (improved food security and nutrition) is not included in the COSOP goal. Only the description of the third strategic objective (para. 47) mentions indirectly that the capacities of public, private and civil society institutions will be strengthened to provide, among others, food security (not nutrition). These inconsistencies will undermine the development of a solid M&E system to measure progress towards results.
8. **Targeting and differentiated strategies.** The COSOP prioritizes vulnerable territories with productive and commercial potential and mentions self-selection and direct targeting (para. 58). The section on target group engagement (section VI, para. 85) does not offer additional significant information. Appendix II distinguishes four subgroups (small, poor and vulnerable producers, rural women, Indigenous Peoples and rural youth) and lists generic types of activities for them. It is not clear in the COSOP how different subgroups of family farmers and Indigenous Peoples will be targeted and what differentiated strategies will be offered to them. For instance, as per CSPE recommendation 3(iii), it is not clear how different instruments will be adapted to the needs of SFF subgroups, differentiating those instruments for subsistence SFF with limited linkages to formal markets from the use of business plans funded with non-refundable matching grants that could be useful for SFF groups with higher levels of socio-organizational development.
9. **Strengthening capacities.** The new COSOP includes two strategic objectives aiming at strengthening capacities: for smallholder farmers (SO1) and for provincial institutions (SO3). The COSOP does not further develop how this will be done to avoid the pitfalls identified by the CSPE.<sup>1</sup> The Results Management Framework only includes indicators about the percentage of SFF and provincial executing units to receive support to increase their capacities. It does not include any indicator about the quality of this assistance. To ensure robust monitoring of capacity-building results, key information about the content, length and appreciation of the quality of training provided should be collected and analysed. It will also be important to collect key indicators about the capacities of the SFF (and their groups and associations) and the provincial executing units before and after the support.

<sup>1</sup> See CSPE paras. 107–110 and 135–136, 139, 142.

The experience of the Inclusive Rural Development Programme, which developed a full-fledged institutional strengthening plan could be adapted.<sup>2</sup>

10. **Linkages between the promotion of family farming as a regional public good and country-level policy engagement.** The regional work catalysed by IFAD at the level of Southern Cone Common Market (MERCOSUR) influenced family farming public policy development in Argentina.<sup>3</sup> The COSOP proposes to promote family farming as a regional public good to enhance its visibility and relevance mainly through knowledge management and South-South and Triangular Cooperation (SSTC). There is only a weak linkage between this effort and the proposals for policy engagement (paras. 64–66 and appendix XI). Little is mentioned in the COSOP about how the enhanced visibility of family farming could help to scale up results and/or sustainably leverage public policies in Argentina.
11. **Strengthening coordination and collaboration with other financial agencies.** The strategic partnerships and SSTC sections detail the intention to partner with the Food and Agriculture Organization of the United Nations (FAO) and other United Nations entities, as well as the work to agree on a SSTC agenda in the MERCOSUR space (para. 76). However, there is only a vague mention of the intention to strengthen partnerships with international financial institutions, and no mention of the key partnerships with family farming programmes, such as the World Bank-funded programmes mentioned in CSPE recommendation 1(iv). The CSPE recommended a broad collaboration to avoid undesired duplications and build synergies, even if cofinancing is not possible.
12. **Innovations through information and communications technologies for development (ICT4D).** The Results Management Framework includes targets on the proportion of beneficiaries accessing digital technologies for production and commercialization. However, the two short paragraphs on this matter in the COSOP (paras. 70 and 71) could have been expanded considering that this is one of the dimensions proposed in response to the requirements for countries having exceeded the income per capita threshold established by the IFAD Graduation Policy. The use of grants to promote innovations is mentioned in general terms (not in relation to ICT4D), as well as among the topics for partnerships with the Government, civil society, the private sector and FAO. It is not clear what proposal is being put forward to ensure the ICT4D tools will be tailored to the needs of the target rural population to ease their access to markets and financial services. More information could be included about the incentives to develop agritech, e-commerce and fintech solutions (paras. 44 and 45).

### III. Final comments

13. IOE appreciates the preparation of the new COSOP, while noting gaps in follow-up on specific CSPE recommendations aimed at improving the effectiveness, efficiency, impact and sustainability of development results. It will be key to consider these factors in the design of new operations and in planning the focus of non-lending activities. It will be important to select and adapt the most appropriate support instruments for various subtypes of SFF (recommendation 3) and further improve the M&E system informed by the COSOP theory of change and the Results Management Framework (recommendation 4). Considering the wide country geographic extension and the institutional complexity (including the need to negotiate subnational debt with provincial governments), IOE reiterates the need to strengthen IFAD's operational and strategic capacities to support the programme (recommendation 2(ii), partially agreed). IOE remains available for any clarification and support required.

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<sup>2</sup> See CSPE para. 109.

<sup>3</sup> See CSPE paras. 88–90 and recommendation 1(i).