



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board - Sixty-Sixth Session

Rome, 28-29 April 1999

IFAD POLICY AND STRATEGY FOR GRANT FINANCING

1. The April 1998 Session of the Executive Board considered a paper entitled IFAD Policy and Strategy for Grant Financing. Executive Board members provided guidance and advice on the overall scope of the paper, including a suggestion that further reflection and discussion take place on a number of key areas and specific grant mechanisms. Accordingly, it was proposed that a special seminar be organized to explore issues raised in the Executive Board discussion. The seminar was held on 11 September 1998, and the Secretariat benefited further from member views and insights. In December 1998 it was confirmed that, as a result of the seminar, a revised paper on grant financing would be prepared for the April 1999 Executive Board Session.

2. In the meantime, however, a number of processes have gone forward that are expected to provide additional important inputs for the preparation of the proposed paper. These processes and initiatives are as follows:

- (a) A comprehensive audit of the Extended Cooperation Programme (ECP) was conducted by the Office of Internal Audit in early 1999, and the final report is expected this April. It is foreseen that some recommendations for the organization and management of the ECP may be of interest in the context of IFAD general policy and strategy.
- (b) The Office of Internal Audit has decided to undertake a system review of IFAD's Grant Programme, taking into consideration interdepartmental relations. A final report is expected to be presented to IFAD's management around the end of June 1999.
- (c) A number of innovative ideas have been suggested for the introduction of competitive processes in the selection of effective and relevant entities for the management of specific research tasks/programmes. These ideas have encouraged the Secretariat to undertake a closer examination of such options.



- (d) A need has been identified to examine the mechanisms and the adequacy of resources allocated for project and programme development in terms of amount and scope, given the increased emphasis on participatory processes required by the corporate strategy of the Fund.
- (e) The degree of interdepartmental involvement in knowledge management processes and activities has increased as a whole, as well as the relationship of this to grant-financed programmes.
- (f) The assessment of the Consultative Group on International Agricultural Research (CGIAR) system, and agricultural research within the system, was completed in late 1998, and a number of issues and recommendations emerging require further review by the Fund. It may also be noted that the CGIAR, in collaboration with its partners, has started a more focused evaluation of research programmes carried out by the CGIAR system, including, in particular, those financed by IFAD, through a series of 15 case studies to assess the impact on the rural poor.
- (g) In response to the comments made by some Executive Board Directors, IFAD has already taken concrete steps towards a systematic evaluation of IFAD-financed research programmes, specifically in the context of their impact on rural poverty. This is being pursued, starting with the development of an appropriate framework and methodology for assessment of the impact of specific research programmes on the rural poor and a critical review of data availability and related frameworks for application in the study.

3. Consequently, it has been found more useful to submit the proposed revised paper on IFAD Policy and Strategy for Grant Financing in December 1999 in order to benefit from the above initiatives and considerations, including the recommendations of the interdepartmental working group on grant financing.