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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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INFORMATION NOTE:

IFAD INITIATIVE FOR MAINSTREAMING INNOVATION

1. The purpose of the present note is to update the Executive Board on the Initiative for Mainstreaming Innovation (IMI) into IFAD core activities. The note follows on from discussion at the Seventy-Sixth Session of the Executive Board of a possible multi-donor innovation programme. It also relates to the pledge made by the Department for International Development, United Kingdom, of USD 10 million for such a programme, subject to satisfactory establishment and acquisition of multiple sources of financing.

Background

2. The Fund's catalytic role in innovation is a topic that has generated much interest in recent sessions of the Executive Board and the Consultation to Review the Adequacy of the Resources Available to IFAD. The IFAD V: Plan of Action (2000-2002) recommended that the Fund "develop methodology and evaluate IFAD's capacity as a promoter of replicable innovations in rural poverty reduction, in cooperation with other partners". The Understanding at Completion Point of the resulting Evaluation of IFAD's Capacity as a Promoter of Replicable Innovations, prepared by the Office of Evaluation (OE), called for IFAD to reflect such commitment to innovation in its existing activities and key products. The importance of innovation for IFAD was affirmed in 2001 when the Executive Board endorsed the *Strategic Framework for IFAD 2002-2006*, which recognizes the promotion of replicable innovations as an important dimension of the Fund's role. Since then, IFAD has taken a number of steps to give innovation even greater prominence. Among these are the IFAD Policy for Grant Financing (EB 2003/80/R.5), which has a clear focus on innovation, and the Field Presence Pilot Programme (EB 2003/80/R.4), which also gives recognition to innovation.

IMI Goals and Objectives

3. IFAD has long been known for its innovative approach. The OE Evaluation recognized the Fund's potential for innovation leadership, the variety of its informal innovation activities, and the many instruments for innovation already in place.

4. At the same time, the evaluation found weaknesses in the process, missing capacities, and a need for a more systematic approach. Two important areas requiring attention are knowledge management and the links between field-level innovation and policy dialogue. The strategic framework acknowledges that “IFAD needs to strengthen its ability to be an innovative and flexible institution”. To do so, the Fund must urgently upgrade its staff innovation capacity, and, over the longer term, make its instruments and products more ‘innovation-friendly’.

5. The broad *goal* of the IMI is to enhance IFAD capacity to promote innovations that will have a positive impact on rural poverty. The three primary *results* expected from IMI implementation, which derive directly from its central *objectives*, are:

- enhanced IFAD innovation culture and capacity;
- improved quality and impact of innovation in the field; and
- improved innovation learning, and the application and sharing of such learning.

Developing an IFAD Innovation Style

6. IFAD will promote a style of innovation, in line with its mandate and strategic framework. This view of innovation also underlies the IMI approach:

- *Demand-driven*: IFAD-promoted innovation will be demand-driven, that is, innovation that responds to a specific problem or need, to add value or resolve the problem in new and better ways, ultimately enhancing poverty impact.
- *Participatory*: Key stakeholder involvement will be an operating principle of the IMI in all instances. Poor women, men and youth will become active partners in the innovation process. Innovation at the grass-roots level will recognize traditional knowledge and indigenous innovation.
- *Replicable*: Overall emphasis will be placed on innovations with wide potential for scaling up or replication elsewhere.
- *Policy-directed*: Innovative partnership arrangements will be encouraged to advocate and influence pro-poor policy and institutional change at all levels. IFAD involvement in successful innovations in the field will also be viewed as opportunities for policy dialogue.
- *Mainstreamed*: The IMI will be part of the Fund’s core activities; this will simultaneously help mainstream innovation and build staff capacity.
- *Impact-oriented*: The IMI will give special attention to evaluating the impact of the innovations promoted. An evaluation will also be undertaken of overall IMI impact on the Fund’s innovation capacity.

Progress and Activities of the IMI Preparatory Phase

7. During its preparatory phase (November 2003 to September 2004), the IMI will seek to:

- develop a plan of action for an IMI framework document to enhance the Fund’s innovation impact on the ground, strengthen its staff capacity and prepare for implementation during the Sixth Replenishment period;
- identify the Fund’s most promising innovations, concepts and experiences, and start preparing them for further implementation or dissemination. This activity builds on, among others, the OE Evaluation and the work of the ongoing thematic groups;

- identify ways to release staff time for participating in the IMI, including in capacity-building activities;
- identify specific opportunities for promoting the development, testing, sharing and replication of innovations; for example, through participation in thematic groups, project development teams and similar learning processes;
- define common goals and linkages between innovation and enhanced field presence; and
- develop new analytic tools that will strengthen IMI impact and that can also be shared with partners.

8. To date, actions have been taken to:

- launch the preparatory phase of IMI, and designate co-chairs of the design team and members;
- establish a plan of action for the preparatory phase;
- initiate design of a framework document, as per the plan of action;
- reach a shared conceptual basis for the IMI, in terms of agreed-upon definitions of innovation and related core concepts;
- draw up guidelines for the formulation and selection of innovation initiatives to be implemented during this preparatory phase, which will generally create a foundation for follow-up, expansion or replication under the IMI;
- prepare and approve concept notes for such innovation initiatives;
- start an inventory of IFAD-promoted innovations, to be updated regularly; and
- prepare and pre-test two products, to be used for enhancing IFAD capacity in the immediate future: (i) a technical guide for innovation risk analysis and for monitoring and evaluation of innovation impact for use in formulation of IFAD loan projects; (ii) a guide for scaling up or replicating innovations.

Next Steps for Bringing the IMI from Design to Implementation

9. The plan is to finalize the IMI framework document in time for presentation to the September 2004 Executive Board. Milestones identified in the process are:

- end-January 2004: first draft of the framework;
- second half of March 2004: consultation workshop on the framework, involving internal and external stakeholders;
- end-May 2004: final draft of the framework;
- mid-June 2004: completed and documented innovation initiatives; and
- September 2004: IMI framework document presented to the Executive Board.

IFAD Commitment to Innovation

10. As noted earlier, IFAD has expressed its commitment to innovation in numerous ways. The proposed initiative comes at a crucial time. Funding will serve to catalyse the Fund's core resources for innovation, allowing IFAD to move the process forward and deliver on this commitment.