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Corporate-level Evaluation on IFAD's Support to Innovations for Inclusive and Sustainable Smallholder Agriculture

Draft approach paper

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For: Review

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Abbreviations and acronyms

ARRI	Annual Report on Results and Impact of IFAD Operations
CLE	corporate-level evaluation
COSOP	country strategic opportunities programme
ESR	evaluation synthesis report
IFI	international financial institution
IMI	Initiative for Mainstreaming Innovations
IOE	Independent Office of Evaluation of IFAD
R&D	research and development
SDG	Sustainable Development Goal
ToC	theory of change

Corporate-level evaluation on IFAD's Support to Innovation for Inclusive and Sustainable Smallholder Agriculture – Draft Approach Paper

I. Background and rationale

1. During its 125th session in December 2018, IFAD's Executive Board approved the conduct of a corporate-level evaluation (CLE) of IFAD's support to innovation for inclusive and sustainable smallholder agriculture.¹ The purpose of the CLE is to assess: IFAD's performance in promoting innovations for rural development and transformation (referred to in this paper as agricultural innovations); and its efforts to support recipient countries in scaling up successful pro-poor innovations through rural development models that reach larger numbers and diverse groups of smallholder farmers.
2. The 2030 Agenda for Sustainable Development (2030 Agenda) outlines the importance of such innovations. Sustainable Development Goal (SDG) 2 – End hunger, achieve food security and improved nutrition, and promote sustainable agriculture – specifically calls for agricultural innovations. Smallholder agriculture is facing numerous complex and multifaceted challenges in areas such as: economic resilience; food security and nutrition; sustainable management of natural resources; adaptation to climate change; and secure access to production resources. In order to address these challenges, agricultural innovations are critical. But these innovations should be suitable and adapted to the social, economic and environmental contexts in which they are applied. Without agricultural innovations, SDG2 will not be achieved.²
3. Agricultural innovations are also fundamental in fulfilling IFAD's mandate. IFAD was established as an international financial institution (IFI) in 1977 to mobilize resources for investing in development opportunities for poor rural people. The Agreement Establishing IFAD clearly states that (article 2):

“The objective of the Fund shall be to mobilize additional resources to be made available on concessional terms for agricultural development in developing Member States. In fulfilling this objective the Fund shall provide financing primarily for projects and programmes specifically designed to introduce, expand or improve food production systems and to strengthen related policies and institutions within the framework of national priorities and strategies, taking into consideration: the need to increase food production in the poorest food deficit countries; the potential for increasing food production in other developing countries; and the importance of improving the nutritional level of the poorest populations in developing countries and the conditions of their lives.”

Through its work, IFAD is explicitly contributing to the achievement of SDG1, SDG2 and the other SDGs.³

4. The IFAD Strategic Framework 2016-2025 underscores the Fund's mandate to invest in poor rural people and enable inclusive and sustainable transformation in rural areas, specifically by supporting the development of smallholder agriculture. Innovations are essential for IFAD to strengthen and improve the quality of its country programmes. Innovation and scaling up are among the organization's key

¹ See EB 2018/125/R.4, part 2, para. 14.

² Examples of SDG 2 targets include 2.2, 2.3 and 2.4 (see: www.sustainabledevelopment.un.org/sdg2).

³ SDG 1 – End poverty in all its forms everywhere; SDG 2 – End hunger, achieve food security and improved nutrition and promote sustainable agriculture; SDG5 – Gender equality; SDG 8 – Decent work and economic growth; SDG10 – Reduced inequalities; SDG 13 – Climate action; and SDG15 – Life on land.

principles of engagement (in addition to targeting, empowerment, gender equality and learning). Innovations will contribute to achieving greater impact and enhancing IFAD's role in helping countries to fulfil their priorities related to the 2030 Agenda. To date, IFAD is the only IFI that has an explicit innovation strategy. Approved in 2007, the IFAD Innovation Strategy remains valid and is yet to be evaluated.⁴

5. The importance of agricultural innovations in IFAD is reflected in several evaluations carried out since 2002.⁵ This CLE will be conducted as past evaluations, in line with IFAD evaluation policy, to generate findings and lessons that improve IFAD's performance. It complements the 2019 evaluation synthesis on Technical Innovations for Rural Poverty Reduction, which focused on technical innovations for productivity growth, and goes beyond it to cover the diversity of innovations supported by IFAD. The CLE assesses progress made in implementing the 2007 Innovation Strategy as well as results achieved and underlying explanations. It also evaluates the extent to which key weakness areas (see annex V) highlighted by the 2010 CLE have been addressed, particularly with regard to: (i) IFAD's capabilities and culture of promoting innovation; (ii) the readiness and suitability of its innovation agenda; and (iii) the results this has produced.⁶

II. Conceptual framework

6. This section presents the conceptual framework of the CLE, which covers innovation, inclusive innovations, innovation systems and scaling up. As already mentioned, innovations are needed for IFAD operations because they are essential to overcome the various challenges faced by rural people, especially poor rural people.⁷ The 2002 evaluation highlighted the lack of a clear strategic direction and definition of innovation within IFAD. This led the Fund to establish the IFAD Initiative for Mainstreaming Innovation (IMI) in 2003 (EB 2003/80/INF.4), which was implemented from 2004 to 2007. The IMI contributed to mainstreaming innovation as a central and cross-cutting theme within the Fund and in its operations.
7. Innovation as defined by IFAD. Following the IMI, the IFAD Innovation Strategy was developed in 2007 to provide strategic guidance on the topic. The 2007 strategy defines innovation as "a process that adds value or solves a problem in new ways".⁸ This definition entails the idea of newness and encompasses technical, social, institutional and policy elements. The strategy also specifies conditions for qualifying an innovation (see annex I, box 1) and stresses the importance of partnerships to ensure the success of IFAD's innovation support.
8. Inclusive and sustainable aspects of innovation. According to IFAD's 2016 Rural Development Report, inclusive innovations are "amenable to adoption by a wide range of farmers of both genders and in different localities, and are affordable and easily accessible, ideally through well-functioning markets" (p. 279). In line

⁴ A CLE was conducted in 2009 (published in 2010) of IFAD's capability to promote innovation. At that time, the IFAD Innovation Strategy was only two years old and was therefore only assessed for the criteria of relevance.

⁵ These include (for a full list of documents see the appendix):

- 2002 evaluation – Evaluation of IFAD's Capacity as a Promoter of Replicable Innovations in Cooperation with other Partners – Understanding at completion point and Executive Summary (EC 2002/30/W.P.3);
- 2004 Thematic Evaluation on Promotion of local knowledge on innovations in Asia and the Pacific region;
- 2010 CLE – CLE of IFAD's capacity to promote innovation and scaling up (EB 2010/99/R.7);
- 2014 CLE – CLE on the IFAD Policy for Grant Financing (EB 2014/113/R.7);
- 2017 evaluation synthesis report (ESR) – ESR on IFAD's support to scaling up of results (EC 2017/96/W.P.6); and
- 2019 ESR – ESR on Technical Innovations for Rural Poverty Reduction which is being finalized (see annex IV for conclusions).

⁶ Discussions with in-house stakeholders during the inception workshop revealed great interest in the topic, especially in obtaining a better understanding of the level of success in each IFAD region in promoting agricultural innovations, and the reasons.

⁷ See GC 29/L.13, Innovation Challenges for the Rural Poor – Issues Paper (2006).

⁸ See EB 2007/91/R.3/Rev.1, IFAD Innovation Strategy, p.iv, para. 2.

with this, inclusive and sustainable innovations are agricultural innovations that are suitable for a diversity of farmers (in terms of gender, socioeconomic group and geographical coverage), as well as economically, socially and environmentally suitable. They can be easily applied and replicated by smallholder farmers.

9. Innovation system. According to IFAD (2006 Issues Paper – see footnote 7), the organizational approach to innovation should be analysed as a system made up of different interacting elements within a dynamic process – not a linear input-output process. The World Bank (2008) defines an innovation system as “a network of organizations, enterprises, and individuals focused on bringing new products, new processes, and new forms of organization into economic use, together with the institutions and policies that affect their behaviour and performance”.⁹ This definition emphasizes: (i) the actors within the system; (ii) innovations conceived as products and processes; and (iii) the policy and institutional aspects of innovations. For the CLE, agricultural innovations are new products, processes, forms of organization and related institutional aspects (as applicable), introduced within an agricultural context (including value chain and agrifood systems) to improve performance.¹⁰ The novelty feature may differ according to context (see para. 28).
10. In the 2006 Issues Paper, IFAD identified three interlinked dimensions that are essential for successful pro-poor innovation systems: the institutional, the partnership and the organizational (empowerment) dimensions. Moreover, pro-poor innovations systems can be analysed according to five layers: (i) institutional transformation or amelioration of the status quo; (ii) the role of the public and private sectors, and civil society organizations; (iii) the connections between the local, national and international levels, and the asymmetries in these linkages; (iv) the role of policy in the promotion of innovations; and (v) accountability, especially at the strategic and policy levels.
11. Scaling up as defined by IFAD. Another concept closely associated with innovation in IFAD is scaling up. This concept was mentioned for the first time in the Strategic Framework for IFAD 2002-2005. In the IFAD Strategic Framework 2007-2010, it became one of IFAD’s core engagement principles together with innovation. According to the IFAD Innovation Strategy, scaling up means “implementing – or enabling the implementation of – a practice on a greater scale”.¹¹ This comprises organizational scaling up (or an appropriation by partners), or scaling up from practices to policy (see annex I, box 2). The strategy also states that effective scaling up is a key indicator for measuring the success of an innovation. Indeed, scaling up can contribute to ensuring the effective and continuous dissemination of innovations, even after IFAD’s support has ended.
12. This definition evolved with IFAD’s Operational Framework for Scaling Up Results (2015), which defines scaling up as “expanding, adapting and supporting successful policies, programmes and knowledge, so that they can leverage resources and partners to deliver larger results for a greater number of rural poor in a sustainable way”. Thus, the emphasis is on scaling up “results” rather than innovations.¹²

⁹ World Bank, *Agricultural Innovation Systems: From Diagnostics toward Operational Practices*, Agriculture and Rural Development, Discussion Paper 38, 2008.

¹⁰ This definition will be further refined with stakeholders during the self-assessment phase (see para. 46) to streamline the analyses.

¹¹ See EB 2007/91/R.3/Rev.1, para.12.

¹² The definition further stipulates that, “Scaling up results does not mean transforming small IFAD projects into larger projects. Instead, IFAD interventions will focus on how successful local initiatives can sustainably leverage policy changes, additional resources and learning to bring the results to scale” (p. 1, box 1).

13. The considerations presented above (i.e. systems approach to agricultural innovations, dimensions and layers in the context of smallholder farming systems) will be useful in delineating the analytical framework of this CLE.

III. Experiences with IFAD's support to agricultural innovation

14. This section outlines the key milestones of IFAD's agenda for promoting agricultural innovations; the instruments used (loans, grants and non-lending activities) for that purpose; the stakeholders of IFAD-supported innovation systems; and other issues relevant to this evaluation (including the novelty of innovations promoted and corporate aspects). Experiences of other IFIs with supporting innovation are presented in annex VI.¹³

A. Key milestones of IFAD's innovation agenda

15. Stages and key milestones in the evolution of IFAD's agenda for promoting agricultural innovation are presented in annex II, table 2. The topic became especially prominent with the Fifth Replenishment of IFAD's Resources "IFAD V: Plan of Action 2000-2002",¹⁴ which stated that, "As an innovator in the development of effective rural poverty-eradication instruments, models and know-how at the grass roots level, IFAD seeks new and effective ways to address the constraints faced by its beneficiaries in a diversity of local contexts".¹⁵ In line with this plan, the Strategic Framework for IFAD 2002-2005 highlighted the need for the Fund to: identify successful innovations and analyse opportunities and constraints related to them; and then disseminate knowledge and lessons learned for replication and dissemination across regions. The IMI followed, as presented above.
16. In 2005, an external independent evaluation of IFAD's operations concluded that, "Innovation is a *raison d'être* for IFAD, but the evidence reveals major shortcomings in IFAD's approach. There is a lack of clarity in operational practice, a tendency to view it as an end rather than a means, and a lack of attention to both innovation and scaling up in project objectives."¹⁶ Management responses to evaluation recommendations have included the decision to elaborate and implement a strategy aimed at enhancing the impact of IFAD's projects and programmes; as a result, the 2007 IFAD Innovation Strategy was developed and approved. The IFAD Strategic Framework 2007-2010 also addressed this topic, and innovation became one of the IFAD's core engagement principles (together with learning and scaling up). This trend has continued to date.
17. In 2010, two publications on innovation and scaling up led to significant changes: the Independent Office of Evaluation of IFAD (IOE) CLE on IFAD's capacity to promote innovation and scaling up; and the Brookings Institution working paper on Scaling up the fight against rural poverty – An institutional review of IFAD's approach. These included the consideration of scaling up as a separate issue to innovation during supervision and upon completion of IFAD projects (although it was not rated separately). In 2014, recommendations from the CLE on the IFAD Policy for Grant Financing led to further strengthening of the strategic role of grants in promoting innovation, and the involvement of the private sector in the process. Following the 2017 ESR on IFAD's support to scaling up of results, innovation and scaling up began to be rated separately in evaluations by IOE.

¹³ The 2019 ESR extensively presented these experiences. Key conclusions are summarized in annex IV.

¹⁴ The Strategic Framework 1998-2000 had already identified innovative pilot projects and programmes in agricultural and rural development (including agricultural production, microcredit, rural infrastructure, self-help groups and land tenure) as the Fund's "core business".

¹⁵ See GC 24/L.3, Report of the Consultation to Review the Adequacy of the Resources Available to IFAD 2000-2002, para. 12.

¹⁶ Document EB 2005/84/R.2/Rev.1, part II, para. 58.

18. During this evolution of IFAD's innovation focus, publications on the topic have generated knowledge and lessons; some will be very useful to streamline this evaluation. They are presented in the following subsections.

B. IFAD's instruments to promote innovation

19. Within IFAD, innovation is promoted through the instruments used by the Fund to discharge its mandate – loan projects, grant programmes and non-lending activities (2002 evaluation). Loan projects are appropriate for promoting and replicating already tested, reasonably safe innovations in order to minimize risks for borrowing countries and IFAD. These projects can also be used for piloting innovations. Grants are adequate for testing and adapting innovative solutions and approaches within specific contexts (2002 evaluation). Non-lending activities (including partnerships, policy dialogue and knowledge management) play a pivotal role in the innovation process and in creating an enabling environment for replication and scaling up (see below).
20. A conclusion of the Management review presented as part of the development process of the IFAD Policy for Grant Financing stated that: "IFAD grants have been instrumental in the development of key strategic partnerships (for example, in agricultural research, with farmers' organizations and communities of indigenous peoples), and in promoting and delivering innovative pro-poor approaches and technologies. These efforts have served the cause of smallholder agriculture and the fight against rural poverty. However, the focus and clarity of purpose of these grants have eroded over time."¹⁷ Despite this conclusion, grants remain crucial for IFAD to develop agricultural innovations through research and development that contribute to addressing challenges faced by smallholder farmers.
21. The 2010 CLE revealed that IFAD's loan projects have had a greater focus on social engineering and institutional innovations than on developing innovative low-cost agricultural technologies, given the prominence of social capital, rural institutions and empowerment at IFAD. These technologies are more often developed through grant-funded projects. The 2014 CLE concluded that: "...the corporate grant policy and operational framework can be further tightened to ensure grants better support the objectives of IFAD country programmes and are used for building strategic partnerships. Learning from grant activities can be systematized and used more routinely to inform IFAD-funded loan investment projects and programmes and policy dialogue efforts."¹⁸
22. Non-lending activities. At IFAD, partnerships, knowledge management and policy dialogue are fundamental for the effectiveness of innovations, the scaling up of successful innovations and the effectiveness of IFAD's country strategies. Regarding partnerships, the 2002 evaluation noted that IFAD is in a complex position for promoting agricultural innovations since its mandate and business model do not involve research and development. For this reason, IFAD has to rely on its partners.
23. Partnerships are therefore fundamental for IFAD to identify, promote and scale up innovative solutions that address the multitude of challenges smallholder farmers face. IFAD's partners comprise a diversity of institutions and structures. They range from national partners such as government agencies, bilateral donors, national research centres, farmers' organizations, NGOs and private actors, to international organizations such as CGIAR centres, networks of farmers' organizations and multilateral organizations like the Rome-based United Nations agencies and other

¹⁷ See EB 2015/114/R.2/Rev.1, annex I, para. 1.

¹⁸ See EB 2014/113/R.7, CLE on the IFAD Policy for Grant Financing, para. 41.

IFIs. Partnerships can also be established in the context of South-South and Triangular Cooperation.¹⁹

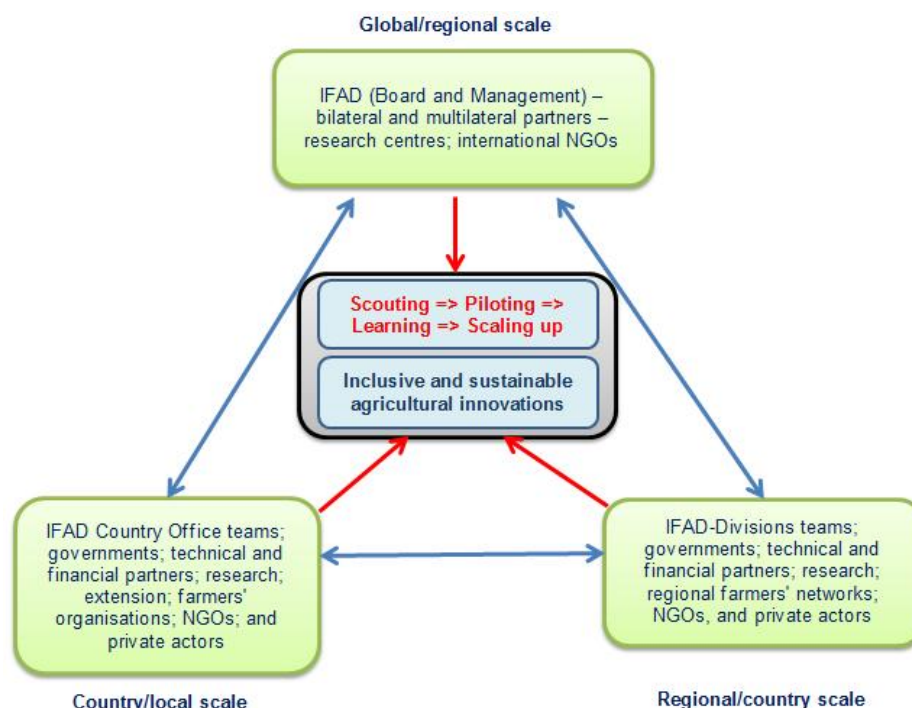
24. IFAD's Innovation Strategy (2007) mentioned knowledge management as a "key ingredient of innovation" (para. 14). In line with this, the IFAD Strategy for Knowledge Management Strategy (2007) highlighted the links between knowledge management and innovations, as well as how knowledge management contributes to: (i) identifying innovative solutions (supply); and (ii) replicating and scaling up successful innovations (outreach). Several reports flagged the weak results achieved by IFAD-supported projects and programmes in terms of scaling up, as replication is the most frequent outcome (see 2010 and 2014 CLEs, and 2019 ESR). Often, no clear distinction is made between these two terms although their meanings are different.
25. Policy engagement is needed to create an enabling environment for broader replication and scaling up of innovations. Policy dialogue is required to ensure the buy-in of other development partners, who may have the resources and capabilities to replicate and scale up successful innovations applied in IFAD-supported operations. Unfortunately, past evaluation findings (2002, 2010 and 2014 CLEs; Brookings Institution working paper 2010; and the 2017 ESR) have pointed out weak results in this area by IFAD-supported projects, which also explains the poor achievements in scaling up innovations.

C. Stakeholders of IFAD-supported innovation systems

26. IFAD works with diverse partners to promote agricultural innovations. The main stakeholders in IFAD-supported innovation systems are presented in figure 1 below and described in annex VII.

Figure 1

Stakeholders in an IFAD-supported agricultural innovations system



Source: IOE.

27. Figure 1 reflects a system in which each stakeholder is present in at least two levels – reflecting their critical role for the system's effectiveness. Stakeholders are

¹⁹ See EB 2016/119/R.6, IFAD's Approach to South-South and Triangular Cooperation.

active towards the common goal of promoting inclusive and sustainable agricultural innovations. According to the 2010 CLE (para. 14), the innovation-promotion process at IFAD includes: "(i) 'scouting' for new ideas which are evaluated and, with necessary adjustments, included in the design; (ii) piloting the innovation on the ground, making any required adjustments as implementation unfolds; (iii) learning from and documenting the experience; and (iv) scaling up, for which policy dialogue, knowledge management and partnership building are essential".

D. Other issues

28. Another important aspect of IFAD's support to agricultural innovations is the degree of novelty (newness nature) of promoted innovations. The 2007 Annual Report on Results and Impact of IFAD Operations (ARRI) argued that most IFAD-supported innovations are incremental rather than radical, meaning that they generally involve minor improvements (of a practice, approach or strategy) with little risk (while radical innovations entail much greater change and higher risk). The 2019 ESR similarly concluded that IFAD's projects are "disseminator-mentors, not research-adapters" (p.61). Although not radically new, innovations promoted through IFAD-supported operations can be influential at the technological, institutional, organizational, social, partnership, strategy and policy, rural finance, value chain development and environmental levels.
29. Finally, there is a need to look at how well IFAD's corporate tools are aligned to agricultural innovations in practice; only the 2010 CLE was very informative in this regard. The report confirmed that the topic of innovation is well articulated in several corporate documents, but concluded that "insufficient resources and attention have been allocated for the purpose of translating policy and strategy pronouncements into concrete actions" (see main report, p.ix). It is therefore essential to ascertain any change that has happened in the past 10 years.

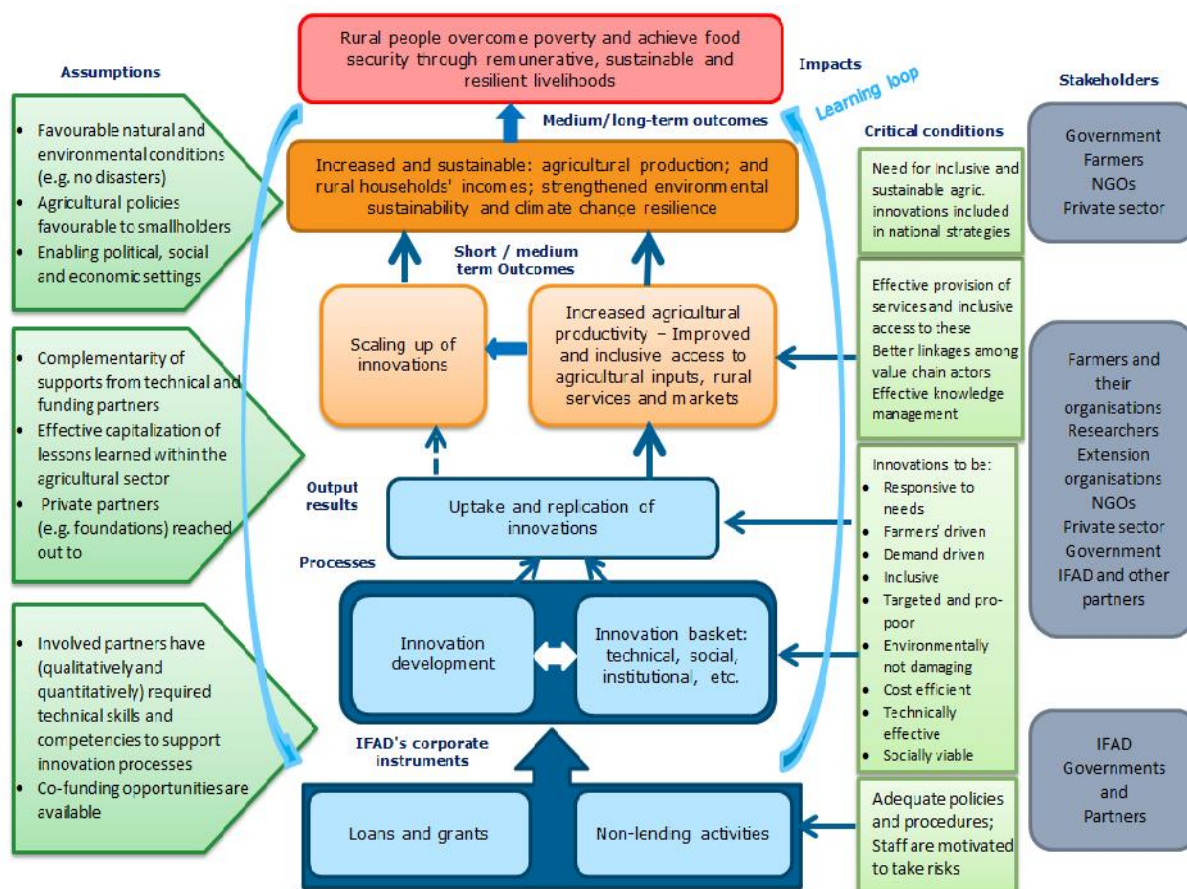
IV. Theory of change

30. Considering the broad focus of the current CLE, a theory of change (ToC) was developed (see figure 2) taking into consideration the previous analyses and outcomes of discussions and interactions with in-house stakeholders.
31. The ToC includes the stakeholders, processes and results of IFAD-supported innovation systems. At the bottom are IFAD's corporate tools and instruments to promote agricultural innovations, including loan- and grant-funded projects and programmes, and non-lending activities. These tools, implemented with the participation of relevant stakeholders (presented at the right side of the ToC), directly influence the effectiveness of the innovation system.
32. Processes and results. Innovations are made available within a "basket" through a development process (for innovations produced through research and development with IFAD's partners), or directly by stakeholders in the system. At this stage, it is possible to assess the degree of novelty²⁰ of innovations being promoted or supported, and the capabilities of stakeholders. These issues deserve particular analytical focus during the CLE.
33. Once an innovation is made available, it can move to the uptake stage, where it is piloted by farmers or other actors with the aim of enabling an improvement. Certain conditions (presented in the ToC) are critical for success at this stage. The result can be continued use, replication or scaling up. The ToC shows that once innovations reach the uptake stage, they can lead to short-term outcomes such as improved access to inputs, services and markets, and increased agricultural productivity. These in turn may lead to longer-term outcomes such as: sustainable

²⁰ The 2014 CLE distinguished between transfer of an existing innovation, adaptation of an existing innovation and the genuine creation of new innovation.

increases in agricultural production and rural households' incomes; strengthened environmental sustainability and climate change resilience; and ultimately long-term development impacts.²¹

Figure 2
Theory of change reconstructed



Source: IOE

34. Some innovations might also be scaled up by stakeholders once their success has been demonstrated through improved outcomes at the farm and community levels, leading to even greater long-term outcomes and impacts. This needs to be assessed by the CLE. However, in-depth analyses of results pathways will be carried out at the lower and middle levels of the ToC due to the importance (number and influence) of various strategic issues. Figure 2 also shows a learning loop that highlights the systematic monitoring and evaluation of results at each stage in order to provide feedback to stakeholders and derive lessons for improving IFAD's approaches to agricultural innovation. This is an important issue to be explored within this CLE.
35. Critical conditions to be met within the scope of IFAD's operations are also presented in the ToC. The fulfilment of these conditions is essential for the success of the innovation system. Finally, the ToC presents key assumptions – external factors outside the scope of IFAD's operations – which can influence IFAD's promotion of agricultural innovations.

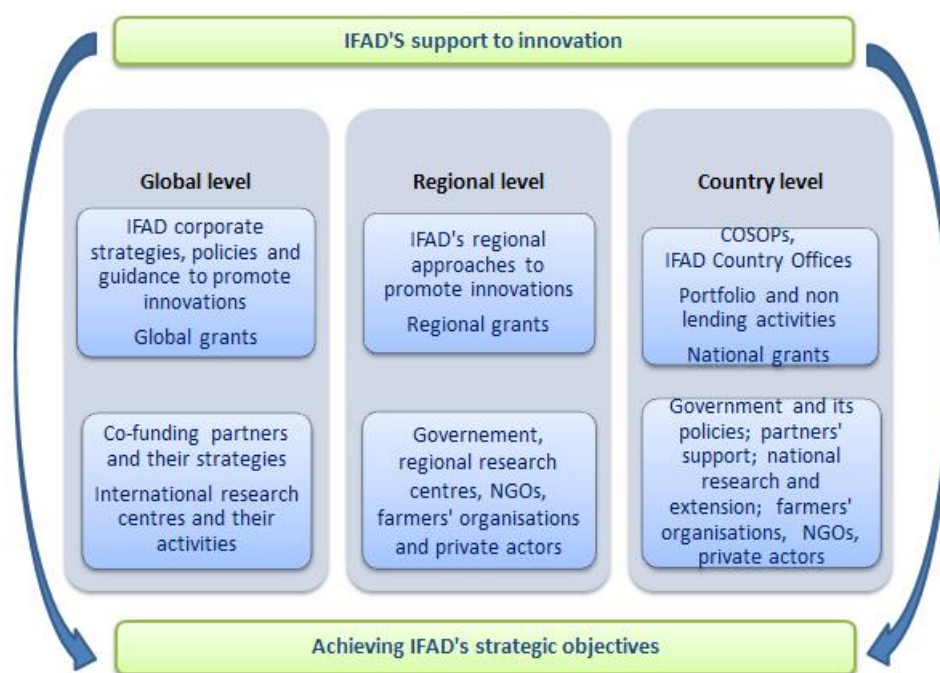
²¹ The medium- and long-term outcomes and the impacts are aligned with the strategic objectives of IFAD Strategic Framework 2016-2025.

V. Evaluation framework

A. Objective and scope

36. In line with the IFAD Evaluation Manual (2015), the CLE objectives are to: (i) assess the effectiveness of IFAD's support to innovation; and (ii) identify key lessons and recommendations to enhance IFAD's approach and performance in this area. These objectives are designed to strengthen the Fund's accountability and learning frameworks for inclusive and sustainable development of smallholder agriculture.
37. The 2010 CLE analysed IFAD's strategies and policies during the period from 2002 to 2008. Therefore, the current CLE uses the 2007 IFAD Innovation Strategy as a reference document and reviews IFAD's operations from 2009 through 2018 (10 years), assessing its organizational framework, tools, conditions and culture of supporting and promoting innovations. Aligned with the stakeholder analysis (figure 1) and ToC (figure 2), figure 3 differentiates three levels of assessment, as described in annex I, box 3.

Figure 3
CLE levels of analysis



Source: IOE.

B. Evaluation questions

38. In line with IFAD's Evaluation Policy, significant corporate issues will be addressed in this evaluation, which will cover the main evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability (IFAD Evaluation Manual 2015). Due to the fact that innovations are essential means of achieving IFAD's strategic objectives, the additional themes of scaling up, inclusiveness, environment and climate change will also be assessed.²²
39. The CLE's overarching questions are as follows:

²² Such assessments are mainly conducted using evidence from previous evaluations. The Evaluation Manual recommends applying such an approach to CLEs. Data from impact studies conducted during IFAD10 may also be used as necessary.

- (a) To what extent (how and why) have IFAD's operations promoted agricultural innovations that: (i) have responded to smallholder farmers' needs and demands; (ii) were targeted and inclusive; (iii) were disseminated and scaled up; and (iv) led to positive outcomes?
 - (b) To what extent (how and why) have institutional instruments, tools and approaches been successful in creating sustainable innovation systems within countries that have generated and disseminated innovations for a sustainable and climate-resilient development of smallholder agriculture?
40. Key questions and sub-questions are presented in the evaluation matrix in annex III.
- C. Data-collection and analysis
41. Data-collection will be undertaken through the following steps (not strictly sequential).
42. Desk reviews will be carried out with the following purposes:
- (a) Identification of relevant strategy, policy and operational guidance documents, and information analysis; identification of portfolio and grant projects and programmes relevant to the topic; assessment of qualitative information from reports;
 - (b) Assessment of quantitative data (e.g. approval, entry into force, total cost, disbursements, final cost, original and actual completion dates, closure date, etc.) for previously identified portfolio and grants projects and programmes; self-assessment ratings using the Grant and Investment Projects System; and
 - (c) Non-random sampling of relevant loan- and grant-funded projects and programmes from the previously established list for in-depth analyses (including desk review of project design, appraisal, midterm, completion and evaluation reports). The CLE team will collaborate with the Programme Management Department and other IFAD divisions in finalizing the sample.
43. Key informant interviews. The CLE will include semi-structured interviews with IFAD staff at different levels and locations, including Management and staff in relevant departments and decentralized offices. The interviews will take place through face-to-face meetings, Skype or telephone discussions. Representatives of global and regional organizations involved in supporting IFAD's innovation systems will also be interviewed. Finally, the CLE team will interact with representatives of the Executive Board when deemed relevant.
44. Management self-assessments. In line with the 2015 Evaluation Policy and past experience, IFAD Management will prepare a self-assessment based on questions designed by IOE. The self-assessment will be presented and discussed during a workshop in June 2019. It will be an internal document and not for publication.
45. Case studies. The CLE team will undertake field case studies based on sampled loan- and grant-financed projects and programmes. The aim of these case studies will be to: (i) (at the early stage) explore hypotheses and validate data-collection tools; (ii) gather in-depth data and search for evidence in order to design evaluation questions and validate hypotheses; and (iii) present successful and less successful innovation cases. The findings from these case studies will be used to provide analytical responses to the evaluation questions.²³

²³ A thorough desk review will be conducted prior to country visits.

46. In view of the resources and time available, between 12 and 15 countries will be visited;²⁴ this means that not all sampled projects will be subject to field visits. Priority will be given to countries with more than one project selected in order to maximize efficiency of time and budget resources, and for better comparison across projects. The case studies will also cover IFAD partners specialized in promoting agricultural innovations in order to gather their views and secondary data. These partners include CGIAR centres, international NGOs (e.g. Heifer International and the Songhai Centre), foundations and other service providers.
47. Electronic survey. An e-survey will be developed to capture knowledge, views and experiences of IFAD managers and staff, as well as technical experts from government agencies, managers of IFAD-funded projects and partners such as research centres, NGOs, private sector actors and farmers' associations; questions will be targeted to each stakeholder group. The survey will be anonymous and it will not be possible to track individual respondents.

VI. Evaluation process

48. Phases. The CLE will be undertaken in six phases: (i) inception, whereby the evaluation questions and methodology proposed in this approach paper will be refined and specific data-collection instruments developed; (ii) information gathering at headquarters by means of desk review of documentation, interviews with Executive Board representatives, Management and staff; (iii) design, implementation of the e-survey and data analysis; (iv) piloting and implementing case studies in selected countries; (v) a midterm progress review to prepare for data analysis and organize report drafting; and (vi) reporting, sharing emerging findings with Management, finalizing the report, eliciting Management's response and disseminating CLE conclusions and recommendations.
49. Deliverables. The main deliverables comprise the approach paper, the final evaluation report and an evaluation profile. The Evaluation Committee will review the draft approach paper and their comments will be considered in the design and implementation of the evaluation. Management will be invited to provide written comments on the draft approach paper and draft final report. IOE will prepare an audit trail, which will illustrate how Management's comments were addressed in the final versions of both documents.
50. Evaluation team. The CLE will be led by Maximin Kodjo, Lead Evaluation Officer within IOE, under the strategic direction of Oscar A. Garcia, IOE Director, and Fabrizio Felloni, Deputy Director. The team will also include three senior evaluation experts: a rural development expert specializing in agricultural innovation processes; an economist specialized in efficiency and impact of agricultural innovations; and a rural sociologist specialized in institutional analyses and gender. In addition, two Rome-based evaluation analysts will support the compilation and review of materials for the case studies, and the programme portfolio and grant analysis. As per established practice, a senior international evaluation expert with experience in innovation and productivity in smallholder agriculture will act as an independent adviser, providing comments on the draft and final reports, and additional technical support as required.

²⁴ Data will also be collected from six to eight countries selected in 2019 for project performance evaluations and country strategy and programme evaluations. A questionnaire will be developed for use by all evaluation teams.

51. Timetable. The evaluation will be conducted in 2019 and completed in the first half of 2020. The tentative schedule is presented in table 1 below.

Table 1
Tentative evaluation timetable

Activity	Date
Inception workshop	February 2019
Peer review of approach paper	15 March 2019
Approach paper submitted to IFAD Management	4 April 2019
Comments from IFAD Management on approach paper	18 April 2019
Approach paper sent to Office of the Secretary	30 April 2019
Early exploratory mission	June 2019
Discussion of approach paper with IFAD Evaluation Committee	19 June 2019
Self-assessment workshop with Management	26 June 2019
Desk review	January to June 2019
Field missions, data-collection and analysis	June to September 2019
Midterm progress review	First week of October 2019
Report drafting	October to December 2019
IOE peer review of main report	February 2020
Report shared with Management	March 2020
Comments from Management	April 2020
Report finalized	May 2020
Discussion by Evaluation Committee	September 2020
Discussion by Executive Board	December 2020

Concept definition and CLE analysis levels

Box 1

Innovation as defined by IFAD

To be considered as an innovation, it needs to be:

- (i) New to its context of application: The novelty may refer to the country context, scale, domain, discipline or line of business.
- (ii) Useful and cost effective in relation to a goal: An innovation must have positive value for its users. In IFAD, it needs to empower poor rural people to overcome poverty better and more cost-effectively than previous approaches.
- (iii) Able to “stick” after pilot testing: An innovation is a product, idea or technology with the potential for wide adoption, which it demonstrates through pilot testing.

There are three levels of intensity in innovation processes. First and most common in IFAD is the adoption in a new context – or on a new scale – of practices or technologies developed by others or in other contexts. Adaptation is also common in IFAD: it occurs when a practice is useful but not fully appropriate to a context, requiring some redesign. The least frequent but most intense type of innovation is the creation of new practices or ideas. This occurs through accidental creative acts or new combinations of existing ideas.

Source: IFAD Innovation strategy (2007).

Box 2

Definition of scaling up at IFAD

Scaling up means implementing – or enabling the implementation of – a practice on a greater scale. At IFAD this may mean:

- (i) Organizational scaling up: Practices implemented in projects or country programmes are integrated into broader, more complex programmes.
- (ii) Appropriation by partners: A practice or technology implemented in an IFAD programme is taken up and developed on a greater scale by partners, including other donors, the private sector or governments.
- (iii) Scaling up from practice to policy: A practice becomes the basis for policy programmes and initiatives by governments, donor agencies and others.

Effective knowledge management, cultivation of strategic partnerships, robust policy dialogue focused on specific challenges and opportunities for innovation, and cofinancing initiatives are central components of sustainable scaling up.

Source: IFAD Innovation strategy (2007).

Box 3

Description of CLE analytical levels

Level 1. The first level of assessment is international. At this scale, corporate strategies (including the IFAD Innovation Strategy), policies, capacity and resource allocation will be reviewed to ascertain whether they are adequate and effective to support and promote innovations for the inclusive and sustainable development of smallholder agriculture. The same applies to the strategies of cofinancing partners and research centres implementing IFAD global-level grants.

Level 2. The second level of analysis is regional. IFAD operates in five regions that all face different challenges in relation to smallholder agriculture. This means that IFAD’s operations to promote agricultural innovations – as well as the types of innovations promoted – can differ from one region to another. Regional approaches to promote innovations through IFAD-supported loans and regional grants will be reviewed to identify different patterns of innovation. Areas to be analysed include actors and their roles, interactions among them, types of innovation and their suitability and outreach, economic, social and environmental constraints faced by smallholder farmers, and factors contributing to successes and failures in order to highlight the lessons learned.

Level 3. The third level of analysis is national. At this scale, IFAD country strategic opportunities programmes, portfolios and non-lending activities will be assessed for their performance in supporting innovations for inclusive and sustainable smallholder agriculture at the national level. In addition, national agricultural systems supported by IFAD loans and grants will be reviewed for their effectiveness (capacity and results) in identifying, testing, piloting, replicating and scaling up innovations, and incorporating lessons learned. Further analysis will include the: (i) role of stakeholders such as governments, research and extension services, farmers, their organizations and communities, NGOs and the private sector in agricultural value chain development (including rural finance) using innovative approaches; (ii) application of strategies; (iii) enabling institutional and policy framework; and (iv) availability, accessibility and affordability of innovations for inclusive and sustainable smallholder agriculture.

Source: IOE.

Milestones of IFAD's innovation agenda

<i>Period</i>	<i>Milestone feature</i>
2000-2002	IFAD V: Plan of Action (2000-2002)
2001	Evaluation of IFAD's capacity as a promoter of replicable innovations
2002-2005	Strategic Framework for IFAD 2002-2005 <i>"IFAD now has to become more systematic in identifying, validating and scaling up innovation."</i> (EB 2001/74/R.36 para. 32.)
2003	Grant policy contributing to innovation and capacity building Innovation and scaling up started being rated together
2004	Initiative for mainstreaming innovations Thematic evaluation: Promotion of local knowledge and innovations in Asia and the Pacific region
2005	Independent external evaluation
2007-2010	Strategic Framework 2007-2010. Innovation, learning and scaling up became one engagement principle. <i>"All elements of IFAD's country programmes will be expected to be innovative. Yet innovation without scaling up is of little value: all engagements will thus be expected to have internal learning arrangements, as well as mechanisms for feeding lessons to the higher, usually national, level."</i> (Executive summary para. 12.)
2007	IFAD Innovation Strategy
2009	Revision to the Policy for Grant Financing
2010	CLE: IFAD's Capacity to promote innovation and scaling up Brookings Institution, working paper 43: Scaling up the fight against rural poverty. An institutional review of IFAD's approach
2011	IFAD Strategic Framework 2011-2015. Innovation, learning and scaling up kept among the principles of engagement. <i>"Responding to a changing environment – with new challenges linked to environmental degradation, climate change and agricultural and food market transformations – requires a capacity to innovate and learn."</i> (Executive summary, para. 8) South-South Cooperation became an inherent dimension of enhanced IFAD's business model
2014	CLE: IFAD Policy for Grant Financing
2016	IFAD Strategic Framework 2016-2025 <i>"IFAD's work will consistently adhere to five principles of engagement: targeting; empowerment; gender equality; innovation, learning and scaling up; and partnerships."</i> (p.6) Enhanced approach to South-South and Triangular Cooperation introduced
2017	ESR: IFAD's support to scaling up results Scaling up started to be rated separately from innovation
2019	ESR: Technical innovations for rural poverty reduction

Source: IOE.

Evaluation matrix

Criteria	Evaluation questions	Data sources
	<p>Overarching questions</p> <p>A. To what extent (how and why) have IFAD's operations promoted agricultural innovations that: (i) responded to smallholder farmers' needs and demands; (ii) were targeted and inclusive; (iii) were disseminated and scaled up; and (iv) led to positive outcomes?</p> <p>B. To what extent (how and why) have the institutional mechanisms established and approaches taken by IFAD been successful in creating sustainable innovation systems within countries that generate and disseminate innovations needed for the inclusive, sustainable and climate-resilient development of smallholder agriculture?</p>	
<p>1. Relevance</p>	<ul style="list-style-type: none"> • How relevant are IFAD's strategies, policies, procedures and guidelines for promoting innovations for inclusive and sustainable smallholder agriculture? <ul style="list-style-type: none"> - How relevant is the IFAD Innovation Policy, guidance and approaches to the IFAD Strategic Framework and the Sustainable Development Goals (SDGs)? - Is there conceptual clarity on the concept of innovation within IFAD and has this been translated into programme design? - What is IFAD's added value with regard to innovation? - Are IFAD's business model and culture adequate to promote innovation (fit for purpose)? - How relevant are IFAD's operational procedures, manuals, guidelines and quality assurance processes for effectively implementing the IFAD Innovation Policy? - Are adequate resources available? Are IFAD staff sufficiently motivated and supported to take risks in developing innovations? - To what extent is IFAD's support to innovations in line with governments' policies and strategies? • To what extent have the smallholder context, needs and constraints (especially of disadvantaged groups) been considered and addressed in innovations promoted through IFAD-supported operations? <ul style="list-style-type: none"> - How are the different challenges between regions reflected in the types of innovations developed and rolled out? - Are IFAD's country strategies and approaches relevant to promote innovations that address the needs of smallholder farmers, especially poor and disadvantaged groups? - Are the innovations relevant to smallholders' needs (do they arise from clear needs or from the supply side)? - Are the portfolio and non-lending activities (including grants) relevant in addressing the needs of smallholder farmers, especially poor and disadvantaged groups? 	<p>IFAD strategic frameworks and policies Governments' policies in case of study countries Country strategic opportunities programme (COSOP) documents for selected case study Guidelines and guiding documents (for grants, loans, knowledge management, formulation of COSOPs, etc.) Quality assessment documentation Past evaluation and study reports Interviews with IFAD Management, staff and partners E-surveys Case studies Interviews with national stakeholders in case study countries IFAD knowledge products</p> <p>IFAD strategic frameworks and policies Government policies in case study countries COSOP documents for selected case studies Guidelines and guiding documents (for grants, loans, knowledge management, COSOP formulation, etc.) Quality assessment documentation Past evaluation and study reports Interviews with IFAD Management, staff and partners E-surveys Case studies Interviews with national stakeholders in case study countries IFAD knowledge products</p>

Criteria	Evaluation questions	Data sources
2. Effectiveness	<ul style="list-style-type: none"> • To what extent (how and why) have instruments, tools and approaches been effective in enabling IFAD's operations to promote a systems approach for agricultural innovations (in terms of success and failure) as reflected in the theory of change (ToC)? <ul style="list-style-type: none"> - How effective is the systems approach to supporting agricultural innovation? - Are there linkages and complementarities among loans and grants? • To what extent (how and why) have IFAD operations that promoted agricultural innovations been effective in terms of: (i) addressing smallholder farmers' needs and demands; (ii) inclusiveness; (iii) outreach; and (iv) achieving results? <ul style="list-style-type: none"> - How effective have innovation systems been in responding to needs (demand driven) and addressing challenges of smallholder farmers? - How effective have innovations been in terms of inclusiveness, targeting and outreach (dissemination)? - How effective have innovations been in terms of results achieved? - Are the novelty level and type of innovation important determinants of success or failure? • To what extent (how and why) are non-lending activities effective in ensuring the effectiveness of the innovation system? <ul style="list-style-type: none"> - How effective are IFAD's partnerships? - How effective are IFAD's knowledge management systems? - How effective is IFAD's policy engagement? - To what extent have lessons learned from experiences related to innovation promotion informed the design of new projects and programmes? 	<p>COSOP documents (for selected case studies)</p> <p>National strategy documents (for selected case studies)</p> <p>Project documentation: design, approval, supervision, mid-term review and completion reports (for selected case studies)</p> <p>Quality-at-entry assessment reports</p> <p>Past evaluation and study reports</p> <p>Interviews with IFAD Management, staff and partners</p> <p>E-surveys</p> <p>Interviews with national stakeholders in case study countries</p> <p>IFAD knowledge products</p> <p>Direct observations and testimony</p> <p>Monitoring data</p> <p>Impact assessment databases (when available)</p>
3. Efficiency	<ul style="list-style-type: none"> • To what extent have agricultural innovations promoted through IFAD-supported operations been cost efficient in achieving their outputs (especially in the context of smallholder agriculture)? • How efficient are IFAD's financial and non-financial instruments? <ul style="list-style-type: none"> - How efficient have the organizational structure, availability of skilled human resources and budget allocation been over time? - How efficient are IFAD's partnerships to develop innovations? • Are there possible links between the novelty level of promoted innovations and the level of efficiency? • Which innovations (types or categories) were the most efficient and why? <ul style="list-style-type: none"> - Are there any potential linkages between level of efficiency and adoption of innovations? - What are the linkages between efficiency and goals achieved as a result of the innovation promoted? 	<ul style="list-style-type: none"> • Grant and Investment Projects System database • Project documentation: design, approval, supervision, mid-term review and completion reports (for selected case studies) • Financial reports • Quality-at-entry assessment reports • Past evaluation and study reports • Interviews with IFAD Management, staff and partners • E-surveys • Interviews with national stakeholders in case study countries • IFAD knowledge products • Databases on budget allocation and implementation • Project financial management data

Criteria	Evaluation questions	Data sources
4. Impact	<ul style="list-style-type: none"> • To what extent (how and why) have agricultural innovations promoted through IFAD-supported operations had positive impacts on smallholder farmers, taking into consideration IFAD's impact domains? <ul style="list-style-type: none"> - What are household incomes and assets? - What are the levels of productivity and food security? - What are the capacities of participating farmers, their organizations and other stakeholders (human and social capital)? - What rural institutions and policies are in place? • To what extent can successful impacts be attributed to favourable context or external factors, e.g. weather or markets? • To what extent (how and why) have the type and nature (novelty level) of innovations determined their outcomes and impacts? • Have there been any negative or unexpected impacts? • To what extent have gains towards productivity, social and environmental goals been achieved in a complementary manner, and which trade-offs (negative impacts) have occurred? 	<p>COSOP documents (for selected case studies) National strategy docs (for selected case study) Project documentation: design, approval, supervision, mid-term review and completion reports (for selected case studies) Quality-at-entry assessment reports Past evaluation and study reports Interviews with IFAD Management, staff and partners E-surveys Interviews with national stakeholders in case study countries IFAD knowledge products Direct observations and testimony Monitoring data Impact-assessment databases (when available)</p>
5. Sustainability	<ul style="list-style-type: none"> • To what extent (how and why) were innovations promoted with IFAD's support sustained after closure of the project or programme? <ul style="list-style-type: none"> - Was the viability of innovations promoted (economically, technically, environmentally and social)? - Were farmer-driven innovations more sustainable? 	<p>Project documentation: design, approval, supervision, mid-term review and completion reports (for selected case studies) Past evaluation and study reports Interviews with IFAD Management, staff and partners E-surveys Interviews with national stakeholders in case study countries Direct observations and testimonies (for selected case studies) Monitoring data and impact-assessment databases (when available)</p>
6. Scaling up	<ul style="list-style-type: none"> • To what extent were innovations promoted through IFAD-supported operations scaled up? <ul style="list-style-type: none"> - Were innovations involved in scaling up results? - What were the influencing factors? - Were partners (governments, donors, etc.) involved? - What were the links between the type of innovation and scaling up results? - Were there other factors that explained the scaling up or successes and failures? - To what extent can successful outcomes from scaling up be attributed to favourable context or external factors (e.g. weather or markets)? • Was there a specific strategy for scaling up the innovation, including funding, partners and targets? <ul style="list-style-type: none"> - What types of evidence were collected to justify and support the scaling up of successful innovations, and how this was documented? • To what extent has IFAD been proactively engaged in partnership-building and policy dialogue to facilitate the development, uptake and scaling up of successful innovations? 	<p>Project documentation: design, approval, supervision, mid-term review and completion reports (for selected case studies) Past evaluation and study reports Interviews with IFAD management, staff members, project staff and partners E-surveys Interviews with national stakeholders in case study countries Direct observations and testimony (for selected case studies) Monitoring data and impact-assessment databases (when available)</p>

Criteria	Evaluation questions	Data sources
7. Gender equality and empowerment	<ul style="list-style-type: none"> • To what extent (how and why) were innovations promoted through IFAD's operations socially acceptable and contributing to equity among beneficiaries, with a focus on gender equality, women's empowerment and representation, and workload? <ul style="list-style-type: none"> - What types of innovations have helped to improve gender equality and empowerment? - Were women, men, communities and women's organizations all consulted in planning and monitoring? - How many new and adapted technologies, and management strategies have been taken up by women as opposed to men, and how many by smallholders as opposed to larger farmers? - Have IFAD's innovation activities had any unintended negative impacts on women as decision makers or beneficiaries? - Did IFAD engage in policy dialogue with partners to improve gender equality and women's empowerment (to include more women in innovation systems)? • To what extent (how and why) were innovations promoted through IFAD's operations socially acceptable and have they contributed to improving conditions and opportunities for youth? <ul style="list-style-type: none"> - Have IFAD's intervention approaches improved youth and other marginalized groups' capabilities? 	<p>Project documentation: design, approval, supervision, mid-term review and completion reports (for selected case studies)</p> <p>Past evaluation and study reports</p> <p>Interviews with IFAD Management, staff and partners</p> <p>E-surveys</p> <p>Interviews with national stakeholders in case study countries</p> <p>Direct observations and testimonies (for selected case studies)</p> <p>Monitoring data and impact-assessment databases (when available)</p>
8. Environment and natural resource management	<ul style="list-style-type: none"> • Have IFAD-supported innovations led to improved environmental outcomes and improvements in natural resource management? <ul style="list-style-type: none"> - What was the incidence and in what types of situations did negative environmental outcomes occur and why? - What was the incidence and in what types of situations were there "win-win" outcomes encompassing both productivity increases and environmental goals? 	<p>Project documentation: design, approval, supervision, mid-term review and completion reports (for selected case studies)</p> <p>Past evaluation and study reports</p> <p>Interviews with IFAD Management, staff and partners</p> <p>E-surveys</p> <p>Interviews with national stakeholders in case study countries</p> <p>Direct observations and testimony (for selected case studies)</p> <p>Monitoring data and impact-assessment databases (when available)</p>
9. Climate change adaptation	<ul style="list-style-type: none"> • To what extent (how and why) have IFAD-promoted innovations improved smallholder farmers' ability to adapt to climate change or support disaster risk reduction? <ul style="list-style-type: none"> - Have IFAD-supported innovation systems addressed challenges related to climate change? - Have innovations promoted by IFAD strengthened the adaptive capabilities of smallholder farmers? 	<p>E-surveys</p> <p>Interviews with national stakeholders in case study countries</p> <p>Direct observations and testimony (for selected case studies)</p> <p>Monitoring data and impact-assessment databases (when available)</p>

Excerpts from the 2019 ESR on Technical Innovations for Rural Poverty Reduction

Excerpts from the evaluation synthesis report conclusions

- Innovation is central to IFAD's approach but lacks a clear focus. Grant-funded activities fulfil an important gap-filling role to deliver a diverse set of functions for technical development, piloting, dissemination and knowledge management. Closer links to loan projects would strengthen this contribution further, but the widely-used regional grants often cover several countries without direct linkages to loan projects.
- IFAD's array of technical innovations is very wide and reflects a broad technical engagement. Innovations are diverse and there are few specific technical innovations replicated in many locations. However, there is a broadly common approach.
- Most innovations are low-tech improvements to productivity. With the exceptions of fisheries innovations (which are quite specialised), energy and the small number of agricultural tools, most innovations are found to be of a low technical complexity, and are designed to bring marginal changes to productivity rather than transformative change.
- Some innovations bring improvements to income but more improve productivity and/or food security. Impact tends to come from a package of measures, not a single element.
- Some innovations can have negative unforeseen longer-term consequences on the environment and natural resource management.
- Scaling up happens for a minority of innovations, in several different ways. The most common step is replication in a follow-up or subsequent project, followed by appropriation by partners.

Source: Excerpts from 2019 ESR (forthcoming) pp.62-63.

Excerpts from the 2010 CLE of IFAD's capacity to promote innovation and scaling up (main report)

Excerpts from the conclusions and recommendations of the 2010 CLE

Conclusions

The Fund has made steady progress in the past decade towards becoming an organization focusing on innovations in agriculture and rural development. The centrality of promoting innovations, and their replication and scaling up was recognized by IFAD in its vision statement of 1995. It has developed dedicated strategies on innovations and knowledge management, and launched a specific initiative to mainstreaming innovations. Many of its key corporate documents – such as the Strategic Framework for 2007-10 and the final reports adopted by Member States following the fifth and sixth replenishments – further articulate and are additional examples of the Fund's commitment towards promoting innovations.

The situation on the ground in terms of results is, however, more mixed. The performance of IFAD-funded projects has steadily improved in promoting innovations. The Annual Report on Results and Impact of IFAD Operations (ARRI) revealed that just around 60 per cent of the projects evaluated by IEO [IOE] in 2002 were moderately satisfactory or better in terms of innovation, whereas 100 per cent of the projects evaluated in 2008 had a moderately satisfactory or better performance. The steady improvement is commendable. However, it should be noted that close to half of the projects evaluated reveal merely moderately satisfactory results in innovation and scaling up is particularly weak. The problem is not just with scaling up: the evaluation concludes that IFAD's approach to the innovations journey, which includes the critical steps of searching (or scouting), exploring, committing, realizing (piloting), and optimizing (scaling up), is not yet as systematic and effective as it should be. Far too much is left to the initiative and individual entrepreneurial skills of country programme managers (CPMs), who act without concrete incentives and accountability.

The evaluation found that the objective on changing organizational culture and practices to support innovations has largely not been met. The evaluation therefore points out that IFAD's organizational capabilities still remain generally weak, and have only changed marginally since the beginning of the decade. This means that the Fund's strong strategic commitment and pronouncements towards innovation have not been adequately converted into action and become part of IFAD's corporate culture.

The evaluation found that IFAD has followed a broad-based innovation approach ("let a thousand flowers bloom"). This metaphor is a reflection of both the commitment of the member states and the management in enshrining innovations as a key principle of engagement in IFAD-funded operations, but at the same time, illustrative of the fact that the innovation promotion has not been pursued in a focused manner. That is, the Fund has pursued innovations in a variety of topics, rather than focusing on few critical areas or domains, where there is a documented need for innovative solutions and where the Fund has a proven capability and track record to develop pro-poor innovations successfully.

The evaluation also concludes that the Fund is devoting relatively more attention to (and found success in) introducing innovative solutions in social engineering and institutional arrangements (e.g., promoting participatory approaches to planning and resource allocation) than in agriculture. Although IFAD has provided a fair amount of grant resources for agricultural research to develop innovative low-cost agriculture technology that can lead to better productivity and incomes, the results of such research has not found its way easily into investment projects funded by IFAD.

The evaluation underlines that innovation alone cannot achieve a decisive reduction in rural poverty. For broader impact, it is critical that innovation at the local level becomes a lever for change on a larger scale. Therefore, attention to replication and in particular to upscaling is essential to ensure a wider impact on rural poverty, for example, in terms of the numbers of poor people that can be reached or the expansion of specific development activities to cover a greater geographic area.

Two reasons can explain why IFAD's performance in upscaling has been inadequate in the past. Firstly, the attention devoted to non-lending activities (including knowledge management, partnership building, and policy dialogue) has been generally poor. Secondly, the Fund's operating model in the past – which did not allow IFAD to conduct direct supervision and implementation support and the lack of country presence – restrained its ability in promoting innovations, including scaling up.

In general, in IFAD there is a disconnect between strategic pronouncements and the still weak institutional capability to promote pro-poor innovation on the ground. However, progress has undeniably been achieved and a number of appropriate initiatives (such as the one on scaling up) are in place. If IFAD is to become a more effective and agile innovation-driven development organization in the twenty-first century and, more so, if it aspires to become a leader in the promotion of pro-poor innovations, it would need to make a quantum jump in particular in terms of organizational culture change and capabilities. It will also need to use its "let a thousand flowers bloom" broad-based approach within few strategic innovation areas. However, the evaluation recognizes that the Fund needs to also remain open to promoting innovations at the country/project level that respond to perceived challenges related to agriculture and rural development of the specific country circumstances. It will also need to concentrate its attention more than in the past on the process of scaling up. Clearly, this would not be possible without a commensurate allocation of resources for the purpose.

Recommendations

- (a) **Define an innovation agenda for IFAD.** An IFAD-wide innovation agenda should be developed at corporate level that consists of few selected themes or domains. The themes or domains selected, Big Bets, should be in those areas of the agriculture and rural sector where there is a proven need for innovative solutions and where IFAD has (or can develop) a comparative advantage to promote successfully pro-poor innovations that can be scaled up.

- (b) **Treat scaling up as mission-critical.** It is imperative that concrete approaches and strategies for scaling up be already articulated at the time of COSOP formulation and project design. Adequate resources and space need to be allocated towards non-lending activities, which are essential for scaling up, and staff competencies further developed to ensure success in this area. Deeper efforts need to be made to exchange experiences and lessons on innovation and scaling up within and across the five geographic regions in which IFAD works, both in the regions and among operations staff at headquarters.
- (c) **Strengthen organizational capabilities and culture.** IFAD should develop an innovation-specific competency model for individuals and teams drawing on current best practice. This model will provide the basis for a comprehensive skills enhancement programme and the development of relevant tools, processes and monitoring systems. Innovation management skills should be developed as personal, team and networked competences and adopted by IFAD staff and its partners.

Source: Excerpts from the 2010 CLE pp.71-77.

Innovations in the context of other international financial institutions

Concepts

- The World Bank's (2012) Agricultural Innovation Systems consider innovation as the process by which individuals or organizations master and implement the design and production of goods and services that are new to them – irrespective of whether they are new to their competitors, their country or the world.
- An innovation system is a network of organizations, enterprises and individuals focused on bringing new products, processes and new forms of organization into economic use together with the institutions and policies that affect their behaviour and performance.
- The Asian Development Bank (AsDB) Guiding Principles for its Strategy 2030 highlight the promotion of innovative technology and view the adoption of advanced technologies as integral to agricultural productivity and food security.
- African Development Bank (AfDB) Strategy for 2016-2025: Feed Africa, recognizes the importance of contextually appropriate technology, but sees the technology challenge as being one of dissemination rather than innovation.

Empirical information

- The 2013 World Bank Group Support for Innovation and Entrepreneurship study compared innovative projects rated as successful and unsuccessful, and found that the main determining factors were overly complex design, inadequate risk assessment, poor supervision and inadequate performance by the borrower.
- Lessons from a 2012 study by AsDB on support for agricultural value chain development argued that value chains need continuous inputs for innovation and technology to raise productivity, reduce costs and stay competitive. In the context of value chains, the study identified innovation as a continuous process that can involve stakeholders at any point in the value chain to improve production, product quality and marketing processes and technology; it is either imported as a turn-key package or is the output of research and development. That distinction is significant in light of the United Nations Secretary-General's Strategy on New Technologies, and highlights the tension within global discourse about the relationships between technical, social and institutional change. The study also recommended integrating research into project design rather than as a stand-alone objective.
- An AsDB thematic analysis into support for small and medium-sized enterprises argued that improving access to finance is not sufficient without capacity strengthening, including for the wider use of technology and innovation.

Benchmarking information – policy and strategy

- AfDB's Strategy for Agricultural Transformation in Africa 2016-2025 refers to innovative finance and extension models, highlighting the links to gender and other crosscutting issues (p. 35). It stresses the development of context-appropriate agricultural technologies and their distribution (p.16). This strategy sees the issue as being one of technology, and places less emphasis on innovation.
- AsDB's 2009 Operational Plan for Sustainable Food Security in Asia and the Pacific cites the importance of innovation: (i) as an output indicator for enhanced knowledge and technology; (ii) as part of support to agricultural research; (iii) for strengthening staff skills; and (iv) as a component of the vision for its Strategy 2030. According the strategy Promoting rural development and food security, "AsDB will support efforts to improve market connectivity and agricultural value chain linkages. It will help DMCs increase agricultural productivity and food security by boosting farm and nonfarm incomes, promoting the adoption of advanced technologies and climate-smart agricultural practices, and supporting the improvement of natural resource management standards. It will also help DMCs enhance food safety" (p.vi, para v).

Source: 2019 ESR on Technical Innovations for Rural Poverty Reduction.

Key stakeholders in IFAD-supported innovation systems

Key stakeholders in the IFAD-supported innovation system include the following:

At the global level: IFAD, including its Executive Board and Management (for the development and approval of corporate policies, strategies and operational guidelines); bilateral and multilateral partners (for co-funding and strategic partnerships); research centres including those supported by the CGIAR for inter-regional research and development (R&D); and international NGOs (also for inter-regional R&D).

At the regional level: IFAD divisions, including the Programme Management Department and the Strategy and Knowledge Department (for identifying innovations and piloting them across regions, and tailoring corporate tools to regional contexts in order to ensure success in promoting agricultural innovations); governments (for the adoption and implementation of regional approaches); technical and funding partners (for funding regional initiatives related to agricultural innovation); research centres and extension (for regional R&D actions); NGOs and farmers' organizations (for regional initiatives and R&D to ensure the suitability of innovations); and private actors (which influence agrifood systems at the regional level).

At the country level: governments (for elaboration and implementation of national policies and strategies aimed at promoting inclusive and sustainable smallholder agriculture); IFAD Country Offices (for supervising IFAD projects and implementing non-lending activities that support agricultural innovation systems); research centres and extension services (for national R&D); NGOs and farmers' organizations (for R&D at the national and local levels); and private actors (which influence agrifood systems at the national and local levels).

Source: CLE team, based on interactions with in-house stakeholders.

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