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Investing in rural people

## **IFAD Management Response to the Evaluation Synthesis on Community-driven Development in IFAD-supported Projects**

### **Note to Evaluation Committee members**

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**For: Review**

1. Management welcomes the evaluation synthesis report (ESR) on community-driven development (CDD) in IFAD-supported projects and finds it to be comprehensive and well researched. Management appreciates the interaction that took place with IOE during the evaluation synthesis process and the efforts made to augment the review with regular in-house consultations.
2. CDD remains central to IFAD's work given its importance as an operational approach not only to deliver assistance, services and other public goods, but also to strengthen local governance, empower communities and support local economic development. In this context, the ESR provides a useful analysis of the performance of IFAD's CDD operations and lessons to help further improve this area of the organization's work.
3. Management is pleased to note the ESR's conclusion that, overall, CDD has performed well in IFAD. Although the ESR sought to classify CDD operations based on four typologies, there are likely to be other operations with strong community development components that are not included in the analysis.

## Recommendations

4. Management takes note of the recommendations of the ESR and is in broad agreement with all three. Detailed responses to the recommendations are provided below.

### **Recommendation 1. IFAD needs to build on its comparative advantage and retake corporate ownership of CDD by making it visible throughout its strategies and institutional functions.**

- **Agreed.** Community and beneficiary participation and engagement are central to all of IFAD operations, not only those classified as being fully community-driven. IFAD's attention to CDD is reflected in its inclusion in a number of corporate strategies and policies (e.g. targeting, indigenous peoples). CDD is recognized as a particularly powerful mechanism for engaging in countries with fragile situations, and indeed is highlighted as an entry point in the Special Programme for Fragile Situations. IFAD further appreciates that CDD, as a people-centred approach, strengthens its key social inclusion mainstreaming themes (particularly empowerment of women and rural youth). The recently approved framework for stakeholder feedback is a further indication of Management's continued commitment to promoting meaningful beneficiary participation and feedback throughout the project cycle. The framework builds on decades of IFAD's work, with a focus on beneficiary engagement, social inclusion and empowerment and CDD. It also introduces a number of ambitious activities to further strengthen impact in this context. These aspects are tracked and rated during project supervision through various sections documenting human and social capital, empowerment and quality of beneficiary participation. In addition, Management will continue to include the CDD approach in IFAD projects as relevant, subject to the context of the interventions, and reflect CDD in policies and strategies as needed, going forward.

### **Recommendation 2. The expectations on CDD results must be matched with appropriate levels of resources at design.**

- **Agreed.** As IFAD works in the remotest areas and targets the poorest populations, all project designs – both CDD and non-CDD – need to ensure appropriate expectations and commensurate levels of resources. Although the ESR did not find that CDD projects performed worse in terms of efficiency than non-CDD ones, Management agrees that a full CDD approach may require a longer implementation period. IFAD-supported interventions are increasingly being developed as part of programmatic approaches at the country level whereby proposed interventions are mutually complementary and implemented concurrently or in phases. All new country strategic opportunities programmes

(COSOPs) also require a specific plan to strengthen citizen engagement and transparency as part of the commitments for the Eleventh Replenishment of IFAD's Resources (IFAD11), which will trickle down to the individual projects designed under that COSOP. Further, IFAD's designs now include exit strategies from the outset, which promotes continuity of the consultative and empowerment processes initiated through its investments. As IFAD deepens its policy engagement and influence, the CDD approach can be increasingly integrated in developing evidence-based/bottom-up policies that are sustainable after project/programme completion.

**Recommendation 3. Integrate CDD-friendly funding instruments, such as flexible funding mechanisms and CDFs, into IFAD's range of financial instruments under IFAD 2.0.**

- **Agreed.** CDD is relevant to the broader financial instruments envisaged under IFAD 2.0. IFAD has committed to putting in place measures to avoid mission drift under IFAD 2.0 and to ensuring that development outcomes and impact on rural transformation remain paramount. For the Private Sector Engagement Strategy, development impact is one of the five principles of engagement, and remaining four are equally relevant to CDD (relevance, additionally, development impact, risk, and environmental and social governance). The implementation arrangements for the Food Security Accelerator Programme (FSAP) will include NGOs and other stakeholders such as farmers' organizations, actors that welcome the use of the CDD approach. It is also an effective mechanism for supporting communities' engagement with the private sector. The community development fund mechanism is most suitable for financing public goods such as community infrastructure and can be used to ensure accountability from the private sector. The link between CDFs and local government structures could also promote sustainability within the new IFAD financing mechanism.