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**EVALUATION OF THE**  
**IFAD/NGO EXTENDED COOPERATION PROGRAMME**

**EXECUTIVE SUMMARY**





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## ABBREVIATIONS AND ACRONYMS

CBOs	Community-based organizations
CPMs	Country portfolio managers
CSOs	Civil-society organizations
ECP	Extended Cooperation Programme
ED	Economic and Policy Resource Strategy Department
NGOs	Non-governmental organizations
OE	Office of Evaluation and Studies
PA	Africa I Division
PD	Project Management Department
PF	Africa II Division
PI	Asia and the Pacific Division
PL	Latin America and the Caribbean Division
PN	Near East and North Africa Division
PT	Technical Advisory Division
UN	United Nations



## EVALUATION OF THE IFAD/NGO ECP

### EXECUTIVE SUMMARY

#### I. ESTABLISHMENT AND OBJECTIVES OF THE ECP

1. The IFAD/NGO Extended Cooperation Programme (ECP) was established by IFAD in 1988 to provide grant assistance to non-governmental organizations (NGOs) that shared IFAD's poverty mandate. The Agreement Establishing IFAD in 1978 gave the Fund a clear mandate to collaborate with NGOs, but until the establishment of the ECP, the Fund had limited experience in this area<sup>1</sup>. The ECP is the only formal financial instrument developed by IFAD that is exclusively directed towards NGOs. The President is authorized to approve individual grants of up to USD 75 000. Initially, the amount of USD 350 000 was earmarked annually for the ECP, within the limits imposed on the relative size of IFAD's Technical Assistance Grants Programme. The ECP, like other IFAD NGO initiatives, has operated without benefit of a coherent and agreed-upon institutional NGO policy or strategy.

2. The ECP was conceived within the framework of a growing awareness of the importance and difficulty of ensuring beneficiary participation in rural poverty-alleviation activities, associated with a recognition of NGO expertise in using innovative community-based, participatory approaches. The various design documents for the ECP<sup>2</sup> are not completely clear or consistent. Overall, the goal of the programme was seen as the enhancement of IFAD's investment activities through four different but related means. These can be viewed as the ECP objectives (although they were not clearly defined as such).

#### *Objectives of the ECP*

- *strengthen IFAD/NGO cooperation and relationships;*
- *promote participatory approaches to enhance self-reliance in poverty alleviation;*
- *pilot-test innovative approaches as a basis for IFAD investment projects; and*
- *generate knowledge and information for incorporation in a "repository of relevant experience".*

*SOURCE: EB 87/30/R.23, EB 87/31/R.53 and EB 88/35/INF.3*

3. The lack of clear priorities among these objectives has led to wide-ranging interpretations of the role of the programme in-house. However, the texts of EB 87/30/R.23 and EB 87/31/R.53 seem to suggest that the main objective of the programme as perceived by its designers is the pilot-testing of innovative approaches to rural poverty alleviation for IFAD investments and that the other objectives are, by and large, by-products of the pilot-testing.

#### II. ECP OPERATIONAL STRATEGIES

4. The operational strategies of the ECP (termed "activities" or "actions") within the poverty context were identified by EB 87/30/R.23 and President's Bulletin 88/2, with emphasis on participation and self-reliance.

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<sup>1</sup> Agreement Establishing IFAD, 1978, Article 8, Section 2: "The Fund shall cooperate closely with the Food and Agriculture Organization of the United Nations and other organizations of the United Nations system. It shall also cooperate closely with other inter-governmental organizations, international financial institutions, non-governmental organizations and governmental agencies concerned with agricultural development".

<sup>2</sup> EB 87/30/R.23; EB 87/31/R.53 and EB 88/35/INF.3.

### *Operational Strategies of the ECP*

- *testing new technologies that have special advantages for the poorest people;*
- *testing new institutional approaches to reaching the rural poor, to ascertain their relevance, acceptability and durability in preparation for wider adoption; and*
- *training programmes for beneficiaries and for extension personnel in the formation of grass-roots organizations to enhance decentralized management of resources.*

*SOURCE: EB 87/30/R.23 and EB 87/31/R. 53*

### **III. DESIGN OF THE ECP: A RETROSPECTIVE LOOK**

5. Any evaluation of the ECP must necessarily begin with a careful examination of the originating documents of the programme, as these reflect the intentions of IFAD and its Executive Board in 1987-1988 and earlier. But in order for such an evaluation to be forward-looking and contribute to IFAD's present institutional policies and objectives, it must also go a step beyond, to see how the programme does or does not reflect IFAD's institutional vision and concerns in the year 2000.

6. The ECP was never outlined in one comprehensive design document. It was assumed that the programme would undergo an evaluation after a short period of operation, with a subsequent, clearer definition of objectives and strategies. EB 87/30/R.23 noted (para.8): "It might be appropriate, at the time of its initial establishment, to constitute the funding mechanism on a flexible and even tentative basis so that the firmer foundations may be constructed with the accumulation of experience." Eleven years later, the current evaluation is the first to be undertaken for the programme and should be viewed as an opportunity to facilitate that "firmer foundation" and reorientation.

7. The loose formulation of the ECP has influenced its operations. Although the programme had four "objectives", as noted, priorities were not indicated. Nor was clear guidance given on how they would interrelate. The ensuing wide-ranging views and practices within IFAD and NGOs about the programme's primary purpose led to a flexible use of project funds.

8. The situation has been aggravated by the nature of the Operational Procedures for the ECP (EB 88/35/INF.3). This document focuses on procedures at the grant/project level. The guidance provided is more appropriate to small investment projects than to pilot projects intended to provide learning for scaling up and replication. Nor is there any explanation of what "testing," "piloting" or "replication" mean or require. The document does not indicate criteria for the selection of recipient NGOs, except to state that they should be "...selected NGOs [that] have the capacity to contribute to the greater effectiveness of IFAD..." (EB 87/30/R.23, para. 6 and elsewhere). There is also no provision made, or guidance given, for the anticipated "repository of relevant experience." Nor are indicators specified to ensure the regular monitoring of the whole programme's activities and the evaluation of its achievements.

9. Following a recommendation of the 1998 internal audit of the ECP<sup>3</sup>, a working group was established in May 1999, with representatives from the Project Management Department (PD), the Economic and Policy Resource Strategy Department (ED) and the Office of Evaluation and Studies (OE), to review ECP operational procedures with the aim of revising them in line with the overall findings of the audit report. The finalization of the working-group recommendations is awaiting the outcome of this present ECP evaluation. The evaluation team presented its detailed written comments and suggestions to the working group on 28 March 2000 on the revised operations procedures.

<sup>3</sup> Internal Audit Report of the IFAD/NGO Extended Cooperation Programme, AR/99/01, May 1999.





10. Most importantly, the programme has not benefited from a comprehensive strategy for IFAD/NGO relations and innovations, which could have guided the ECP focus, operations and monitoring and evaluation. Needless to say, against this background, it is very difficult to assess the impact of the programme with the desirable degree of rigour. While an IFAD/NGO strategy would perhaps have been premature in 1988 due to the lack of adequate IFAD experience in this area, this is no longer the case in the year 2000.

11. The role of the programme in terms of innovation deserves special attention. This role is clearly embodied in the concept of new technologies and new institutional approaches. It is also explicit in the originating documents. Reference is made to "...activities at the frontiers of grass-roots development..." in EB 87/30/R.23 (para. 6). The same document (para. 6) states: "Innovative ideas and techniques which may prove especially useful to the conceptual and practical development of IFAD's approaches, strategies and methodologies could be tried out through a funding mechanism." IFAD/NGO operational partnerships and participatory and community-based approaches were indeed innovative in 1988. They are less so now. At the same time, IFAD has, at the start of the 21<sup>st</sup> century, placed the concept of innovation at the very forefront of its institutional vision and is increasingly defining its role as an innovator and a knowledge institution (note discussion in section XI). "Partnerships: The Report of the Consultation to Review the Adequacy of the Resources Available to IFAD (2000-2002)" provides ample evidence to this effect.

*The ECP was an innovative and knowledge-focused programme, which became less so even as IFAD itself developed a clearer focus and interest in innovation and knowledge management.*

#### **THE ROLE OF THE ECP IN PROMOTING INNOVATION**

##### **IFAD in 1988**

- *IFAD/NGO partnerships new and relatively innovative*
- *Participatory and community-based approaches new and innovative*
- *No institutional vision for innovation and knowledge management*
- *No policy or strategy on NGOs or innovation*

##### **IFAD in 2000**

- *IFAD/NGO partnerships accepted practice*
- *Participatory and community-based approaches common in loan projects*
- *Clear institutional vision for innovation and knowledge management*
- *No policy or strategy on NGOs or innovation*

*The ECP spearheads innovation for IFAD in spite of internal and external constraints.*

*The ECP progressively phases into a project-support operation as innovative role weakens.*

#### **IV. THE EVALUATION**

12. The 1998 internal audit of the ECP recommended that IFAD's Office of Evaluation and Studies undertake a desk evaluation of ECP 1988-1998 operations. The primary concern of the exercise was to assess the first eleven years of IFAD experience with the ECP with respect to its intended objectives and to recommend options for the programme's future direction. The evaluation followed a *participatory and contextual approach*, involving all stakeholders<sup>4</sup> in the exercise and placing the ECP within the wider context of IFAD's institutional objectives, strategies and emerging role as a knowledge organization on rural poverty. Prior to carrying out the evaluation, the approach

<sup>4</sup> Stakeholders were defined as IFAD senior management, PD country portfolio managers, staff from the Technical Advisory Division (PT) and OE, ED's NGO Unit, grant-recipient NGOs and IFAD/NGO Advisory Group members.

and design were presented and discussed at the IFAD/NGO Advisory Group Meeting of July 1999. The evaluation relied on four main sources of data.

#### *Data Sources Used in the Evaluation*

- *the ED NGO database;*
- *a survey of IFAD Country Portfolio Managers (CPMs);*
- *a survey of recipient NGOs; and*
- *an in-depth review of 40 completed ECP grants.*

13. Within this framework and to the extent permitted by available information, the evaluation team focused on three broad evaluation criteria: *effectiveness, efficiency and relevance* of the programme. The effectiveness of the ECP was defined as the programme's achievements with reference to its overall goal and objectives (defined in section I), as indicated by the collective outcome of individual grants reviewed by the evaluation team and the results of the two surveys mentioned above. While it was recognized as desirable, the present evaluation could not review the impact of individual grants on individual loan projects and loan-project beneficiaries (the programme's goal). Programme efficiency was operationally defined as the aggregate outcome of three indicators at the individual grant level: (a) time from grant approval to release of first tranche, (b) time from effectiveness to release of first tranche, and (c) actual compared to expected duration of the grant. The programme's relevance was assessed at two complementary levels: relevance to IFAD at the programme's inception and support for and consistency with IFAD's corporate vision, mission and strategic thrusts for 2000 and beyond, as well as with the current strategies of IFAD's geographical regions.

### **V. OVERVIEW OF ECP OPERATIONS, 1988-1998**

14. The ECP has now operated for approximately eleven years, with a general trend towards expansion both in terms of numbers of yearly grants awarded and annual commitment of funds. About half the grants were approved between 1996 and 1998.

#### *Eleven Years of ECP Operation*

- *From 1988 to 1998, IFAD committed USD 8.26 million for a total of 140 ECP activities. Of this total, USD 7.36 million was used to finance 118 ECP grant projects, an average of USD 736 000 per annum. The remaining USD 897 000 was committed to fund a total of 22 IFAD/NGO Advisory Group meetings and consultations.*
- *Funds have benefited a total of 128 NGOs implementing projects in 68 countries.*
- *At the end of 1998, 79 grants were defined as closed and 39 as ongoing.*
- *64% of ECP grants have been awarded to southern/national and 36% to northern/international NGOs, with few involving north-south partnerships.*
- *85% of all recipient NGOs have received only one ECP grant, 11% have received two and 4% have received three or more ECP grants.*
- *The large majority of grants have focused on grass-roots institution-building or testing institutional approaches, with much less attention to technology testing.*
- *Most ECP grants have been close to the maximum size of USD 75 000.*
- *Apart from PF, ECP grants have been fairly evenly distributed among IFAD regional divisions but unevenly distributed among implementing countries.*
- *The Technical Advisory Division (PT) and ED have processed 2% and 8% of all grants, respectively. OE has not processed any ECP grants.*



## VI. IFAD COUNTRY PORTFOLIO MANAGERS' VIEWS OF THE ECP

15. The main instrument for soliciting CPMs' views was an open-ended questionnaire, designed by the OE evaluation team and sent to all 33 CPMs. In addition to obtaining some quantitative information, the main purpose was to allow CPMs to express their views without closing off options. Of the 16 replies (49%), five came from the Africa I Division (PA), four from the Africa II Division (PF), three from the Asia and the Pacific Division (PI), three from the Near East and North Africa Division (PN) and one from Latin America and the Caribbean Division (PL).

16. IFAD CPMs play a key role as gatekeepers for the entry of ECP grant proposals and subsequent learning from ECP projects. Processing of ECP grants has essentially been a voluntary activity, although occasional pressure exists towards the end of the year to absorb unallocated funds. CPMs range from those who have processed none to those who have processed eight or more grants. The cumbersome procedures and time-consuming requirements have undeniably limited CPMs' willingness to process grants.

17. The majority of CPMs found the ECP grants to be useful for promoting participatory approaches and self-reliance. About three quarters of the interviewed CPMs stated that, in principle, they view the programme in terms of developing innovative approaches. However, in practice, the CPMs acknowledged that ECP grants enhance IFAD investments in a wide variety of ways, only part of them relating to the piloting or testing of innovations. Reasons given by CPMs for processing ECP grants tended to focus more on collaboration with NGOs in the context of project implementation, rather than on piloting or testing innovations for future use. In fact, the evidence suggests that the majority of ECP grants have run parallel to, and been intended to feed into, an ongoing IFAD loan project. One reason for this is the slow and uncertain duration of ECP grant processing, which does not permit synchronization with the design stage of IFAD projects. Another is that participatory approaches themselves are now well understood and, unlike in 1988 when the programme started, are an accepted part of IFAD loan projects that no longer requires testing or piloting. A third is the absence of a clear institutional framework that allows piloting and testing in advance of project formulation.

18. Contributions of the ECP to institutional learning objectives have received little attention from the large majority of CPMs (although there are a few notable exceptions). Also, there has been little demonstrated interest in using available funds to test elements of the regional strategy. This is understandable, given the time constraints on CPMs, the absence of any repository mechanism or process for extracting lessons, and the absence of any career rewards for doing so.

19. Strengthening IFAD/NGO relationships was seen as the most important objective of the ECP by 25% of CPMs. Of these a number of CPMs mentioned the crucial importance of ECP in identifying future partners and in benefiting from the NGO advocacy role in sustaining a pro-poor policy dialogue with national institutions. But there was clear evidence in CPM responses that the enhancement of IFAD/NGO relations and improved understanding of NGOs was a much appreciated by-product of all grant activities. The issue of which kinds of NGOs should be given priority by the ECP is a complex one: while 54% of CPMs prefer grants to be awarded to national NGOs and another 31% to national-international partnerships, there was overall agreement that this is not always possible because of capacity considerations. The extent of staff interest in national-international partnerships suggests an emerging trend for which there are a few interesting models in past ECP projects. Only 10% of the respondents argued that the ECP should promote NGO capacity-building.

20. Overall, the approach to and current usage of the ECP by about 75% of CPMs could best be described as "short-term, implementation-oriented and project-specific". While this approach can make (and has made) valuable contributions to project implementation, it is not ideally suited to development of major innovations in institutional approaches or technologies for poverty alleviation.



21. Time-consuming internal procedures have limited CPMs' willingness to process grants. They see the main areas of ECP improvement as: an increase in ECP grant size, streamlining and speeding up of ECP procedures, and better means of identifying NGOs with appropriate capacity. Other recommendations include: standardization of NGOs proposals, budgetary allocation for ECP supervision and OE evaluation of ECP projects.

## VII. NGO VIEWS OF THE ECP

22. The objectives of consulting the NGOs were to: (a) identify their motivations in applying for grants and how they perceived their acceptance and role; (b) learn from their experiences in implementing grant projects; and (c) obtain their views and suggestions as to how the ECP could operate more efficiently and effectively in the future. As in the case of CPMs, the evaluation team designed an open-ended questionnaire for the purpose.

23. A total of 131 questionnaires in three languages (English, French and Spanish) were forwarded to grant-recipient NGOs. In addition, all IFAD/NGO Advisory Group members, including those who had not had direct experience with ECP grants, were sent a short list of questions. The 42 responses received were equally divided between northern and southern NGOs and between NGOs with completed and those with ongoing grant projects. The regional distribution of responses, however, was highly unbalanced, particularly in terms of under-representation of the Latin America and the Caribbean region. The survey indicated that recipient NGOs and Advisory Group members appreciate the ECP and have benefited in a variety of ways from the grants received.

24. Sixty-five per cent of the recipients applied to the ECP because it constituted a possible source of funding, and 56% felt that they were accepted because of their own capacity, merits and common goals with IFAD. Fully 73% recognized the intended link of their project to IFAD investment activities, but many reported that such linking had not been effectively achieved. Most respondents did not view their ECP-funded activities as being of a pilot or testing nature for learning purposes. Objectives and activities were approached from the perspective of development rather than learning.

25. Achievements were generally described in quantitative terms (number of groups formed, people trained, etc.) rather than in terms of piloting, testing or learning. Of those NGOs that had completed their ECP-financed projects, only a quarter felt that the objectives had been fully achieved. The reasons for this were often connected to the short duration of the project or problems experienced during implementation. Many recipients stated that it was too early to tell whether their project objectives had been achieved, while about one third reported that their objectives had been partly achieved.

26. By far the most common problems mentioned by recipient NGOs involved delays. Such delays occurred both during project approval and between approval of the project and disbursement of first-tranche funds. Uneasy relations between loan project staff and grant project staff had in some instances undermined the links between the two projects. Clearly, good relations between the two staffs require a delicate balance between collaboration and independence.

27. Fully 67% of the NGOs that received ECP grants reported capacity-building benefits to their organizations and sometimes to government or to other NGOs. These benefits took place through: (a) improved relations with either local or central government agencies; (b) enhanced relations with other NGOs; or (c) learning during the project implementation process that influenced subsequent activities.



### ***NGO Views and Suggestions for the ECP***

- *Most respondents did not appear to have viewed their ECP-funded activities as being of a pilot or testing nature for learning purposes.*
- *NGOs, in agreement with CPMs, recommended increasing the maximum grant size.*
- *They recommended the streamlining and speeding up of ECP operational procedures, including approval and disbursement.*
- *NGOs would like IFAD to provide better information and clear guidance for grant preparation and application.*
- *Many requested that audit requirements be made more realistic.*
- *Other suggestions were that government clearance be eliminated and grant duration extended.*
- *NGOs made many good recommendations for enhancing learning from the ECP. These include:*
  - *making the lesson-learning objective more explicit, to be understood by both IFAD and the grant recipient NGO*
  - *establishing criteria for NGO selection/eligibility*
  - *improving supervision and contacts between IFAD and the grantee NGO*
  - *extending the duration of the pilot project*
  - *replicating/adapting pilot approaches in a number of different countries or in various socio-economic contexts*
  - *where ECP projects were successful, involving the NGO in subsequent IFAD project design*
  - *generating publicity for ECP projects*
  - *organizing workshops to make findings widely known*
  - *sharing information through NGO networks and the Internet*

## **VIII. REVIEW OF COMPLETED GRANTS**

28. A total of 40 projects financed by ECP grants, together with the regions concerned, were selected for in-depth review, with preference given to completed or almost-completed projects. Selection of projects was made on the basis of several criteria: availability of completion reports (and/or other reliable sources of information on implementation); regional and other representation (seven from each regional division, three from ED, two from PT); proposal for review by the divisions responsible; and representation of the different types of grant projects. All available documentation was reviewed.<sup>5</sup> A detailed “Framework for Project Review” was developed by the evaluation team and used as the tool for reviewing documentation. However, differences in the quantity and quality of the available information resulted in varying coverage and quality of project reviews.

29. The task of the evaluation team in reviewing the selected grants was difficult and time-consuming because of the following facts: (a) ECP files were scattered in IFAD’s various divisions; (b) reporting formats lacked consistency and the reported information was often of poor quality; and (c) completion and other reports were often missing. It is possible that many documents were sent by NGOs, but misplaced within IFAD.

<sup>5</sup> Ideally, this included: project proposal of the NGO; project brief and/or revised proposal as prepared by IFAD; progress report(s); grant agreement; audit(s); completion or final report; supervision reports or relevant sections in back-to-office reports (BTOs); any consultant reports; any available evaluation reports; correspondence and memoranda.



### **Main Features of the Reviewed Grants**

- *Only about one quarter of the ECP grants reviewed were awarded to organizations that do not strictly match ECP expectations, either because they lack a poverty agenda or had insufficient capacity. In the absence of NGO selection criteria and the limited choice available in some countries, this should be considered acceptable.*
- *Fully 71% of recipient NGOs can be considered to have had adequate institutional capacity for field operations at the time of grant approval. But fewer had the necessary experience and capacity for rigorous implementation of piloting activities.<sup>6</sup>*
- *At least 60% of the recipient NGOs had special “power status” in that they were frequent United Nations (UN) agency partners or connected to the government (or the royal family) at the country level.*
- *Most ECP projects reviewed were concerned with grass-roots institutional capacity-building during implementation. Only about 40% were viewed by the NGO in piloting/testing terms for future investment.*
- *The large majority of ECP grants were cofinanced by recipient NGOs, as foreseen by ECP guidelines, sometimes with contributions from donors, government or beneficiaries.*
- *Disbursement modalities for ECP grants showed little uniformity. Grant disbursements were most often arranged in two tranches, with final tranches often being too small to provide sufficient motivation for completion reporting.*
- *The reporting frequency, general quality and content of reports ranged from very good to very poor, with no standardization and little presentation or analysis of piloting lessons.*
- *One quarter of the projects had used 35-50% of grant funds for the purchase of transport means and office equipment.*
- *About 16% of the grants were awarded to women’s NGOs and many other ECP grant recipients had agendas prioritizing women or women and children.*

## **IX. ACHIEVEMENT OF PROGRAMME OBJECTIVES IN THE REVIEWED GRANTS**

30. Because the ECP projects were originally (1988) intended as pilots or tests, their achievements have been defined and analysed in terms of the links with IFAD investment projects, subsequent replication/adaptation/scaling up of the ECP-tested approaches and learning outcome. Other objectives – the promotion of IFAD/NGO partnerships in general and participatory approaches for poverty alleviation – have also been assessed. Unfortunately, both learning outcomes and impact on IFAD loan projects were very difficult to assess. Materialization of the intended link with IFAD loan projects was taken as a “proxy” for impact.

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<sup>6</sup> NGO capacity was defined on the basis of a number of indicators, the most important of which was the number of years in operation. Five years of established operation was the minimum required indication of operational sustainability (and capacity). Several grant-recipient NGOs did not have an office, mobility, telephone, full-time staff or adequate experience in the field. However, a period of less than five years was allowed when available information suggested that the NGO had developed capacity in another context, prior to its present organizational form.

### *Achievements of the ECP Grants Reviewed*

- *The review found notable examples of very good partnerships. There was evidence that ECP projects had indeed served to strengthen relations between NGOs and IFAD. These can be defined in terms of mutual trust, understanding and working for a common purpose.*
- *There is also evidence that the understanding of participatory approaches for poverty alleviation and their implementation at the grass-roots level were generally enhanced through the ECP.*
- *Some ECP projects have recorded remarkable achievements in testing and replicating innovative institutional approaches, even beyond their stated objectives (e.g., grant no. 07 Peru, Strengthening Extension and Training Services, and grant no. 34 Burkina Faso, Savings and Credit with Education).*
- *Fully 72% of projects reviewed had intended to link with IFAD projects, but links only materialized in about half the cases (similar to NGO perceptions of such links and their achievement).*
- *Key factors in achieving linkage with IFAD projects appear to have been: (a) the nature and capacity of the NGO involved; (b) the design of the ECP project in terms that match IFAD investment needs, and (c) the receptivity of the IFAD investment project to the NGO and its activities.*
- *Full implementation of designed activities had occurred in about 46% of ECP projects reviewed (more than was perceived by NGOs).*
- *Some CPMs and regional divisions (notably PA) have paid considerable attention to supervision of ECP projects. However, the majority of projects have not received such coverage.*
- *Only some NGOs have received assistance from IFAD staff or consultants, not just for proposal preparation, but also for progress or completion report preparation.*
- *A few good evaluations of ECP grants have been conducted by national consultants, other NGOs or OE.*
- *Only a small percentage of grant projects have been both implemented and reported in such a way that lessons could emerge.*
- *Some good lessons from ECP grants can still be extracted, with some additional investment, in important areas of interest to IFAD, e.g., participatory approaches, grass-roots capacity-building and gender aspects.*

## **X. ECP EFFECTIVENESS AND EFFICIENCY**

31. Taking into account all the sources of information (the database, the two surveys and the grant-project reviews) and the limitations on available data, a general judgement was made on the effectiveness, efficiency and relevance of the ECP as defined in section IV.

### *Effectiveness and Efficiency of the ECP*

- **Effectiveness in enhancing IFAD/NGO relations.** *The ECP has made an undeniable and valuable contribution to enhancing IFAD/NGO relations and, through this, to enhancing NGO/government partnerships. This is evident in the surveys of CPMs, of NGOs and in the review of individual project reports. While other factors have clearly played a role, it can be argued that the large increase in IFAD partnerships with NGOs since 1988 is to a great extent attributed to the ECP. In addition, the evidence suggests that the ECP has: enlarged the range and number of IFAD's NGO partners; provided better understanding of NGO operations to IFAD staff; given staff more confidence in collaborating with southern NGOs, and provided IFAD with a greater appreciation for the range of experience and skills that NGOs can contribute.*



- **Effectiveness in promoting participatory approaches.** *The ECP as a whole has increased institutional exposure to and understanding of participatory approaches at the grass-roots level to self reliance in poverty alleviation. It has no doubt played a role in internalizing such an approach, particularly during implementation. The extended use in IFAD projects of participatory needs assessment, group approaches to rural credit, community mobilization in natural resource management and others can, inter alia, be attributed to the role of some pioneering ECP projects. Increased communication and exchange in the field between IFAD and NGO staff through the ECP has also strengthened field-staff and government acceptance of participatory approaches.*
- **Effectiveness in pilot-testing innovative approaches as a basis for IFAD investments.** *The results are mixed. Although the objectives of about 75% of ECP projects noted piloting and testing of innovative approaches (as stated in proposals usually redrafted by IFAD), only 40% of the reports (written by NGOs) discussed project objectives or achievements in piloting terms. The majority of ECP grants provided for collaboration with NGOs during implementation of ongoing IFAD projects. ECP project reports show that limited understanding of piloting, as well as delays and other constraints, have often restricted projects' effectiveness as models for replication by IFAD, and hence in enhancing IFAD's investment activities. Identification of promising innovative approaches, transition requirements from pilot to full-fledged investment project component, or to scaling up under other funding arrangements has not received due attention. NGO surveys and project reviews indicate that effective links to IFAD projects materialized in no more than 36% of the cases. In sum, there is clearly room for improvement in this dimension.*
- **Effectiveness in contributing to knowledge.** *In spite of its great potential, the ECP cannot presently be considered effective in generating and storing useful knowledge about innovative approaches. There are a number of reasons for this. ECP projects have shifted from testing innovative participatory approaches to implementation of proven approaches. There has also been no mechanism established to collect, organize, interpret, compare, update and disseminate lessons from the ECP. The lack of a coherent institutional policy/strategy on NGOs and innovations has no doubt contributed to this situation.*
- **Efficiency.** *Inefficiency of ECP procedures is identified in NGO and CPM complaints, and verified in database information documenting the long lead times between project approval and project start-up, as well as reporting delays. The programme has not been efficient due to complex procedures and delays at the design stage, and during and following implementation. This has restricted effectiveness. Most notably, the lengthy processing time of projects has limited the use of the ECP to enhance the design stage of IFAD investment projects.*

## XI. RELEVANCE OF THE ECP

32. The ECP was undeniably relevant to IFAD's agenda and strategy in 1988, both in enhancing IFAD/NGO relations and in promoting the development of participatory and community-based approaches to poverty alleviation in the IFAD portfolio. Now, eleven years later, we need to re-examine the relevance of the programme in light of changes both within IFAD and in IFAD's relations with NGOs.

### A. Relevance to IFAD/NGO Relations

33. In line with its mandate and vision, IFAD has made considerable progress in developing and enhancing its relations with NGOs. Whereas involving NGOs in IFAD loan project design and implementation was still unusual in 1988, today it is common practice, particularly during implementation. The range of NGOs with which IFAD now works has also been expanded to include more national NGOs, as well as community-based organizations (CBOs), and civil-society organizations (CSOs) working in poverty alleviation and rural development. These include: policy, development and research institutions, professional organizations, trade unions, cooperatives, service





organizations, the media, and others. Similarly, the range of activities on which IFAD collaborates with NGOs now includes: policy advocacy, operations, information/publicity and networking.

34. The ECP has played a major role in these advances, not just through country-level grant projects but also through the IFAD/NGO consultations and the IFAD/NGO Advisory Group supported by ECP funds. The consultations, held annually since 1990, have in turn made a contribution to IFAD/NGO relations, provided feedback on the ECP and other IFAD/NGO activities and helped IFAD use the advocacy role of NGOs to strengthen its in-country pro-poor policy dialogue. This useful link should be maintained and strengthened.

35. The foregoing does not imply that the ECP is no longer relevant to enhancing IFAD/NGO partnerships. However, in view of the progress made, the ECP could enhance its current and future relevance through more conscious comparison and collecting of lessons about key *dimensions* of such relations and through stressing newer *types* of relationships, such as operational relations with international-national NGO partnerships, NGO consortia, NGOs with strong advocacy roles in policy and NGO-private-sector partnerships (especially for rural financial services).

### **B. Relevance to IFAD's 2000 Agenda and Corporate Strategy**

36. IFAD's Vision, formulated in May 1995, notes that the core values of the institution include "valuing innovation," and "creating and sharing knowledge." A key objective that IFAD shares with its partners and stakeholders is "designing and implementing innovative projects that have the potential to be scaled up and replicated by other development organizations." Innovative pilot projects and programmes are also viewed as part of IFAD's core business. (*Meeting the Challenges in a Changing World: IFAD's Strategic Framework for 1998-2000 and IFAD's Corporate Score Cards for the year 2000.*)

37. In 2000, more than ever before, the Fund views its key role as that of an innovator and knowledge institution, as is evident in "Partnerships: The Report of the Consultation to Review the Adequacy of the Resources Available to IFAD (2000-2002)". This document argues that IFAD should "use grant resources to further the core objectives of the Fund, in particular promoting innovative policy initiatives, institutional solutions, technological improvements and knowledge-sharing". It includes, as policy objectives, "facilitating replication and sharing knowledge through partnerships," encouraging IFAD to "take a more structured approach towards the documentation of innovative features" and strengthening in-country policy dialogue in favour of the poor. Additionally, IFAD should "emphasize strategic partnerships that have the potential for replication and scaling up of best practices in poverty alleviation."

38. The evaluation concluded that the programme has strong potential to contribute effectively to IFAD's emerging emphasis on fostering innovation. This conclusion stresses *the relevance of the ECP to IFAD's present institutional vision and its core objectives*, a role in line with the programme's original policy. However, a number of constraints need to be addressed to enhance this role. The first and foremost relates to an absence of institutional policy and strategy on NGOs and innovation that has reduced the effectiveness of the programme in this area. Other constraints relate to present understanding of the testing and piloting objectives, the complex procedures involved in grant processing, the time constraints of CPMs and the absence of an adequate "incentive framework" linking innovation and staff performance in this area to rewards (see section XII).

39. Overall, the ECP purpose and rationale remain fully relevant to IFAD's institutional vision and objectives at the dawn of the 21<sup>st</sup> century. But programme operations need to be brought into line with these objectives.



### ***Relevance of the ECP to IFAD's Vision and Corporate Strategy***

- *The ECP remains highly relevant to IFAD's vision and corporate strategy for 2000 and beyond. The relevance and contribution of the ECP would be greater if it were strategically placed, and operated, within an IFAD policy and strategy for NGOs and innovation. The definition of a policy/strategy framework would guide the choice of programme objectives and strategy, enhance its effectiveness, and facilitate the assessment of its impact. IFAD's NGO policy/strategy would need to cover: the overall goal and priority objectives of IFAD's collaboration with NGO; types of NGOs with which IFAD should work; criteria for selecting partners; main areas, activities and issues for collaboration (e.g., innovation, operations, policy advocacy, knowledge generation); modalities of cooperation and respective emphasis; institutional set-up within IFAD for overseeing IFAD/NGO cooperation; role of government and the private sector; constraints on effective partnerships and ways in which these can be overcome or circumvented.*
- *The ECP also remains relevant to IFAD's objective of enhancing IFAD/NGO partnerships and partnership with CBOs and other CSOs. Such relevance can be maximized if the learning from partnerships is more systematically collected, stressing newer types of relationships with NGOs.*
- *ECP piloting and testing of new and innovative technology and approaches for participatory development is in line with IFAD's core objectives of promoting replicable innovation for poverty alleviation. But to adequately perform this role, the ECP needs to ensure that it remains at the cutting edge and that institutional culture and ECP structure and procedures fully support this goal.*
- *The knowledge orientation of the ECP centrally supports IFAD's objective of becoming a knowledge organization on rural poverty.*
- *The ECP continues to be relevant to all IFAD regions, with varying applications and emphasis according to different regional priorities and operational strategies.*

## **XII. CONSTRAINTS ON ECP IMPLEMENTATION**

40. While the ECP rationale and objectives remain of continuing relevance to IFAD, a number of constraints are presently reducing its effectiveness. These need to be addressed urgently.

### ***Main Constraints on the ECP***

- **Lack of systematic guidelines.** *ECP operations have been notably diversified and unsystematic, without clear operational guidelines and regular monitoring and supervision. The result has often been inconsistency of output, varying quality of reporting, difficulty in comparing projects and limited identification of lessons.*
- **Insufficient emphasis on learning dimensions.** *This is especially the case with learning related to innovative approaches that would improve project impact. A number of factors combined to cause this situation, including: lack of an adequate incentive framework for staff working with the ECP, insufficient emphasis on identifying strategic learning needs, and absence of regular evaluation of the programme. The lack of a comprehensive IFAD/NGO policy/strategy within which to position the ECP has intensified the problem.*
- **Inadequate emphasis on piloting.** *The ECP has not dedicated sufficient attention to piloting for replication/adaptation or scaling up. In comparison with ordinary development projects, pilot projects have to be designed in greater detail, more rigorously implemented, better monitored and evaluated, and as simple as possible. They also have to consider cost-benefit ratios and management arrangements in terms of future expansion or replication of the project. These aspects have not been sufficiently considered in ECP projects.*



- **NGO capacity constraints.** *Many grant-recipient NGOs (northern as well as southern) have not demonstrated adequate capacity, especially in implementing pilot projects for testing innovations. In addition, no clear criteria for selecting NGOs had been developed and adopted. (These have now been identified by the ECP working group on procedures).*
- **Inefficient operating procedures.** *The cumbersome procedures have not served the aims and objectives of the ECP. In addition to the useful improvements suggested by the working group, there is a need to streamline, systematize and speed up the processes for submission of NGO proposals, approval by IFAD, release of funds and project implementation/completion reporting.*
- **Grant size limit.** *The maximum ECP grant size of USD 75 000, today worth about two thirds of its 1988 purchasing power, has been mentioned as a constraint by both CPMs and NGOs. This ceiling needs to be raised immediately to at least USD 100 000. In addition, IFAD should clarify the possibility of second-phase funding for the same project, which at the moment is ambiguous, in certain cases hampering full development of results on the ground.*

### XIII. MAIN CONCLUSIONS

41. The ECP is potentially even more relevant to IFAD's institutional priorities and strategies in 2000 and beyond than it was in 1988. It remains an excellent mechanism with high potential.

42. The ECP has made a valuable contribution to enhancing IFAD/NGO operational partnerships and, through this, to NGO/government partnerships, to enlarging the range and number of IFAD's NGO partners, and to increasing institutional understanding of NGO operations and the mutual confidence in collaboration. It has also increased institutional exposure to participatory approaches to poverty alleviation and aided their promotion and internalization during the implementation of IFAD projects. The IFAD/NGO annual consultations, supported by ECP grants, have provided feedback to IFAD on its relations with NGOs and helped define the possible use of the NGO advocacy role to strengthen in-country pro-poor policy dialogue.

43. Overall, the effectiveness of the programme in pilot-testing innovative approaches as a basis for IFAD investments and in generating and storing useful knowledge on rural poverty alleviation have been below expectations. During the past 11 years, ECP grants have covered a wide range of operational collaborations with NGOs. Within this range, the priority given to pilot-testing innovations for scaling up/replication has not been commensurate with programme objectives. While a number of strategic elements are no doubt implicit in current IFAD/NGO relations, the lack of a coherent strategic framework within which to consolidate, prioritize and amplify these elements has been partly responsible for this situation. The programme has faced a number of other constraints that also affected its performance in this area, including small grant size, inefficient operating procedures and an insufficient incentive framework for innovation. The relevance and contribution of the ECP can reach its potential if the programme is placed, and operated, within an explicit and coherent IFAD strategy for NGOs and innovation.

44. The above discussion notwithstanding, the evaluation identified examples of ECP projects that recorded remarkable achievements in pilot-testing and replicating innovative institutional approaches. This indicates the potential of the programme in this area. Since there are few other instruments at IFAD's disposal for capturing and learning from innovation, the ECP represents a particularly good potential that should be exploited.

## XIV. RECOMMENDATIONS

### A. General Recommendations

45. **Place the ECP within a clear IFAD policy/strategy on NGOs and innovation.** IFAD should capitalize on ECP experience, the results of the present evaluation, successive IFAD/NGO consultations, and other relevant in-house work to develop a coherent and comprehensive policy/strategy for IFAD/NGO collaboration as well as an institutional policy/strategy for innovations<sup>7</sup>. This will help maximize future benefits from the ECP.

46. **Enhance the ECP focus on innovation and the contribution of learning.** the ECP focus and activities should be reoriented to reconcile IFAD's corporate/strategic emphases on innovation and learning with other operational needs of specific IFAD loan projects. The evaluation's conclusion is that the ECP can and should serve both priorities. While there are few other instruments at IFAD's disposal to capture and learn from innovation, the ECP, due to its specific characteristics, represents a particularly good potential that should be exploited.

47. **Increase the size of the ECP.** The potential and strategic relevance of the ECP argue for increasing its importance vis-à-vis IFAD technical assistance grants. A portion of the additional funds should be explicitly allocated to enhancing the learning benefits of the ECP. This issue should be investigated in conjunction with the formulation of IFAD's strategy for grant assistance and its strategy for cooperation with NGOs. The ceiling for individual grants should be raised immediately at least to maintain their real value.

48. **Broaden in-house access to ECP resources.** ECP funds should be more widely distributed within IFAD in order to optimize synergy and maximize learning achievements, for example through giving greater access to OE and PT. OE could assist in enhancing a strategic ECP focus on learning from innovative approaches, particularly in the field of participatory evaluation.

### B. Specific Recommendations

49. **Move the ECP to a higher plane of strategic learning.** If the ECP is to be transformed into an instrument serving IFAD's role as a knowledge organization, its focus and activities will need to shift to more-strategic future learning needs and a catalytic role in the policy environment. Such learning needs should be driven by: (a) corporate strategic directions defined by emerging policies/strategies on NGOs and innovation; (b) regional priorities and strategies; and (c) the knowledge concerns of IFAD, including its service divisions, i.e., OE, PT and ED. There is an urgent need to shift to this higher level to comply with the requirements of the Fund's corporate score card for the year 2000 and the plan of action agreed upon during IFAD's consultation on its Fifth Replenishment. Such a move should be combined with a continued role for the ECP in promoting operational partnerships with NGOs, in general, as one thrust of the programme.

50. **Sharpen focus on pilot-testing for replication and scaling up.** The ECP should focus more on piloting innovative approaches for replication, and for expansion and scaling up under an IFAD loan project or similar funding arrangement. The ECP needs to become a more-systematically and consciously used instrument of IFAD's capability to promote replicable innovation. Particular attention should be given to better understanding of pilot testing processes, cost-benefit and management issues, capacity-building for expansion, identifying and understanding positive and

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<sup>7</sup> The first building block in the development of the innovation strategy is the ongoing OE work in evaluating IFAD capability for promoting replicable innovation (to be finalized by mid-2001).



negative impact, and financial sustainability. The duration of such pilot projects is likely to be longer than that of most current projects.

51. **Streamline ECP procedures to improve the efficiency of pilot-testing.** Operational procedures need to be streamlined and sped up in order to avoid undermining the effective implementation of ECP pilot projects. The evaluation endorses many of the recommendations of the IFAD working group on procedures, but more attention should be given to streamlining. The evaluation has proposed a number of additional recommendations to the working group. On these bases, new ECP operational procedures should be finalized as an immediate next step.

52. **Systematize ECP reporting.** More guidance needs to be given to NGOs to ensure that they provide IFAD with the needed information in a usable form. The working-group recommendations have already made some strides in this direction. Simple guidelines and/or a simple and flexible format for reporting should be developed and provided to the NGOs to harmonize reporting.

53. **Enhance ECP oversight, project supervision and technical backstopping.** Given the time constraints of CPMs and the support and supervision needs of most grant-recipient NGOs, IFAD should review alternative ways of providing additional technical coordination, support and supervision to the programme. The goal would be to improve the quality of ECP grant projects, their links to each other and to IFAD investments, and the learning opportunities. The evaluation has identified some alternatives, but these need further development and discussion by IFAD staff and management.

54. **Open ECP information to all IFAD staff.** One way this could be done is through the NGO database established in ED by the NGO Unit. While this database has great potential for knowledge-collection, storage and dissemination, it will not achieve its full potential unless shared by all IFAD staff. Such an institution-wide database requires relatively little effort or expense for its installation, but concerted, systematic effort for its management.

55. **Re-examine the role of the NGO Unit.** While formulating its policy/strategy for cooperation with NGOs IFAD should re-examine the institutional set-up, roles, responsibilities and staffing of the NGO Unit, taking into consideration the suggested reorientation of the programme and the associated institutional requirements.

56. **Ensure more ECP project evaluation.** OE evaluation of ECP projects should be done systematically whenever there is evaluation of the IFAD loan project to which an ECP project is linked. When there are a sufficient number of such evaluations, reporting should be done on an aggregate basis.

57. **Recognize staff efforts.** The efforts made by certain CPMs to process and oversee implementation of ECP projects need to be recognized and rewarded. The evaluation found that CPMs also have a great deal to offer in terms of learning from ECP projects. Mechanisms need to be established to recognize and retain this contribution.

58. **Capture missing lessons.** There is a fair amount of interesting experience and learning associated with past ECP activities that has not been captured. From a cost-benefit perspective, this exercise should be viewed favourably. It should be demand-driven, with analysis of the lessons organized by regional division priorities. It would provide input to the strategic interests of IFAD, to pipeline projects, to the NGO database and to communication of ECP results.

59. **Establish learning channels and improved procedures.** ECP efficiency, effectiveness and, particularly, its knowledge contribution can be greatly enhanced by a few fairly simple structural and procedural improvements, at a low financial and institutional cost. These include: more



systematic efforts by PD, OE and ED in capturing lessons from ECP grants; an ECP website or a page in the existing IFAD website; periodic publication of case studies; incorporation of ECP information in regular IFAD publications; informal meetings at IFAD on general ECP experiences presented by CPMs or during NGO staff visits.

