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Enabling poor rural people  
to overcome poverty

## **Corporate-level evaluation of IFAD's capacity to promote innovation and scaling up**

### **Executive summary**

Evaluation Committee — Sixty-second Session  
Rome, 1 April 2010

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For: **Review**

## **Note to Evaluation Committee members**

This document is submitted for review by the Evaluation Committee.

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Appendices are available upon request from IFAD's Office of Evaluation, [evaluation@ifad.org](mailto:evaluation@ifad.org)

## **Abbreviations and acronyms**

ARRI	Annual Report on Results and Impact of IFAD Operations
CLE	corporate-level evaluation
CPM	country programme manager
COSOP	country strategic opportunities programme
DFID	Department for International Development (United Kingdom of Great Britain and Northern Ireland)
IEE	Independent External Evaluation (IFAD)
IMI	Initiative for Mainstreaming Innovation
M&E	monitoring and evaluation
NRM	natural resource management
OE	Office of Evaluation (IFAD)



# Corporate-level evaluation of IFAD's capacity to promote innovation and scaling up

## Executive summary

### I. The evaluation

1. **Background.** The promotion of pro-poor innovations in agriculture and rural development, as a means of reducing rural poverty, has been a prominent characteristic of IFAD-funded activities since the mid-1990s.<sup>1</sup> The Fifth Replenishment of IFAD's Resources in 1999 was particularly significant in ensuring that promotion of pro-poor innovations was more comprehensively enshrined in the Fund's priorities and operations. The replenishment consultations that followed further emphasized the need for IFAD to promote innovations that could be scaled up by governments, donor organizations, the private sector and others.
2. As part of the action plan drafted for the Fifth Replenishment,<sup>2</sup> adopted by the Governing Council in 2000, the Office of Evaluation (OE) was requested to undertake a corporate-level evaluation (CLE) in 2000-2001 of IFAD's Capacity as a Promoter of Replicable Innovation for rural poverty reduction.<sup>3</sup> This generated an understanding at completion point that captured the main findings and recommendations that IFAD Management agreed to adopt and implement.<sup>4</sup>
3. In response to the OE evaluation, and with the support of the Department for International Development (DFID) of the United Kingdom of Great Britain and Northern Ireland, the Executive Board approved the IFAD Initiative for Mainstreaming Innovation (IMI) at its eighty-third session in December 2004. The goal of the IMI was to "enhance IFAD's capacity to promote innovations that will have a positive impact on rural poverty". At its ninety-first session in September 2007, the Board approved the IFAD Innovation Strategy,<sup>5</sup> which identified, among other issues, the main objectives, definition, instruments and organizational arrangements required to effectively promote innovation.
4. In adopting the IMI, the Board also decided that OE should undertake an independent evaluation of the initiative following its completion. Thereafter, in December 2008, given the importance of IFAD's work in promoting innovation, the Board decided that OE should undertake a second CLE of IFAD's capacity to promote innovation, which would include an assessment of the IMI, given that it is an integral element of the Fund's wider efforts in this area.
5. **Objectives.** The evaluation had two main objectives: (i) to assess IFAD's efforts and performance in promoting innovations that can be replicated and scaled up; and (ii) to generate a series of findings and recommendations that will feed into implementation of the Fund's innovation strategy and inform the Fund's overall future activities in this area.
6. **Methodology.** In order to achieve these two objectives, the evaluation methodology established seven building blocks: (i) assessing IFAD's strategic directions for promoting innovation; (ii) assessing the performance of past projects evaluated by OE in terms of the promotion and scaling up of innovations; (iii) reviewing selected recent country strategies and IFAD-funded projects to

<sup>1</sup> For example, the statement of *IFAD's Vision* of May 1995 recognized the significance of innovation, noting that the Fund would "ensure the design and implementation of innovative, cost-effective and replicable programmes with sustainable impact".

<sup>2</sup> IFAD V Plan of Action 2000-2002; see annex I of document GC 24/L.3.

<sup>3</sup> This evaluation was discussed during the 30th session of the Evaluation Committee in February 2002 (document EC 2002/30/W.P.3).

<sup>4</sup> Evaluation of IFAD's Capacity as a Promoter of Replicable Innovations in Cooperation with other Partners: Understanding at Completion Point and Executive Summary, November 2002, Report No. 1325.

<sup>5</sup> Document EB 2007/91/R.3/Rev.1.

assess the extent to which IFAD is internalizing its own experiences and lessons in promoting innovation, as well as to determine the evolution of country strategies and projects following adoption of the Fund's innovation strategy; (iv) evaluating progress in the Fund's organizational capabilities to promote innovation; (v) evaluating the IMI; (vi) assessing the relevance of the innovation strategy and its initial implementation; and (vii) a benchmarking review, with a view to assessing the Fund's attention to and strategic directions for promoting innovation in comparison with five other development organizations. In addition, five country visits were undertaken (paragraph 8) to verify the findings of the evaluation's desk work and to collect the perspectives of partners at the country level on IFAD's performance and capacity to promote innovation.<sup>6</sup> The perspectives of borrowing country partners were also captured in the evaluation reports analysed in the meta-evaluation (refer to building block (ii) above; see section III for further details).

7. In accordance with the provisions of the OE evaluation manual,<sup>7</sup> among other methodological fundamentals, efforts were made to apply the principle of triangulation<sup>8</sup> in formulating evaluative judgements. Attention was given to ensuring an appropriate evidence trail, in which conclusions were coherently anchored in the analysis captured in the evaluation report, and the recommendations rooted in the main conclusions derived. Where possible, the standard evaluation criteria (see annex I for definition) of the evaluation manual were applied and a six-point rating scale<sup>9</sup> used to quantify performance across the various evaluation criteria.
8. **Process.** The evaluation was organized in four main phases: (i) **inception**, during which methodology and process were fine-tuned and the evaluation team contracted (paragraph 10). This stage led to the production of the evaluation's approach paper and inception report; (ii) **desk work**, including a review of documents, a staff survey aimed at assessing IFAD's organizational capabilities to promote innovation, and interviews and focus-group discussions with representatives of IFAD Management and staff. The various working papers produced in this phase are listed in this document's table of contents; (iii) **country work**, including discussions with concerned partners in the respective governments and visits to IFAD-funded project(s) in Brazil, Morocco, Nigeria, the United Republic of Tanzania and Viet Nam. A country working paper was produced following each visit; and (iv) **draft final report**, including preparation of IFAD Management's response to the evaluation.
9. In accordance with the IFAD Evaluation Policy, a core learning partnership<sup>10</sup> was established for the innovation evaluation, with the aim of providing inputs and reviewing key deliverables, including the approach paper and draft final report. Its members were also responsible for sharing all information and documentation with others in their respective divisions. A Senior Independent Adviser was contracted by OE<sup>11</sup> to review key evaluation deliverables and reassure IFAD Management and the Fund's governing bodies of the quality of the evaluation and its overall process. The Senior Independent Adviser's report on the evaluation process and its final report may be seen in annex II. In addition, the evaluation was exposed to an

<sup>6</sup> The selection criteria for the countries to be visited included: (i) selection of only one country from each of the five geographical regions covered by IFAD operations; (ii) availability of recent country programme and project evaluations by OE; and (iii) countries with one or two projects showing promising innovative approaches.

<sup>7</sup> The manual – issued in 2009 – may be accessed at [www.ifad.org/evaluation/process\\_methodology/index.htm](http://www.ifad.org/evaluation/process_methodology/index.htm).

<sup>8</sup> This entails the use of three or more theories, sources or types of analysis to verify and substantiate an assessment. It allows evaluators to overcome the bias that comes from single informants, single methods or single observations, and thus helps ensure the robustness and reliability of evaluation findings.

<sup>9</sup> 6 – highly satisfactory, 5 – satisfactory, 4 – moderately satisfactory, 3 – moderately unsatisfactory, 2 – unsatisfactory, and 1 – highly unsatisfactory.

<sup>10</sup> Members included the Associate Vice-President of the Programme Management Department (PMD), IFAD's Chief Development Strategist, the Director of OE, all directors of PMD regional divisions and the Technical Advisory Division, the Director of the Human Resources Division, the concerned Policy Coordinator, PMD's Senior Portfolio Manager, and the OE Senior Evaluation Officer designated as lead evaluator for this evaluation.

<sup>11</sup> Johannes Linn, former Vice President at the World Bank and currently Director of the Wolfensohn Centre for Development, the Brookings Institution, Washington, D.C.



internal peer review within OE.<sup>12</sup> The comments of the Core Learning Partnership, the Senior Independent Adviser and OE peer reviewers have been included in the final evaluation report, to be considered by the Evaluation Committee and Executive Board in their respective sessions in April 2010.

10. A multidisciplinary team of consultant experts was recruited for the evaluation. Details of the composition of this team may be seen in annex III.

## II. IFAD's strategic directions on innovation in the twenty-first century

11. This section draws on the analysis undertaken in the first building block of the evaluation methodology: assessing IFAD's strategic directions for promoting innovation. In particular, the evaluation: (i) assessed the extent of achievements in implementing the recommendations captured in the understanding at completion point of the CLE on innovation undertaken in 2000-2001; (ii) traced the key landmarks in IFAD's innovation promotion efforts over the past decade; and (iii) provided an overview of the Fund's performance in articulating and providing strategic directions to staff in the promotion of innovations and their scaling up.
12. **Innovation in IFAD.**<sup>13</sup> Box 1 below provides the definition adopted by IFAD for 'innovation' and its understanding of 'scaling up' as stated in the IFAD Innovation Strategy.

Box 1

### Definitions of innovation and scaling up

#### What makes a product, idea or approach an innovation?

"To be considered innovative, it needs to be: (i) **New to its context of application.** The novelty may refer to 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 the case of IFAD, it needs to empower [poor rural people] to overcome poverty better and more cost-effectively than previous approaches; and (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."

#### Scaling up

"Scaling up means implementing – or enabling the implementation of – a practice on a greater scale. For 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 further 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."

13. 'Replication' is also an important concept in the promotion of innovations, but it is different from scaling up. Replication of an innovation may occur when a successful innovation is transported to another environment for piloting, but fine-tuned according to the needs of the specific circumstances of application. Replication does not necessarily entail scaling up. The latter is a broader concept, which however includes replication on a wider scale of an innovation that has been successfully piloted.
14. In brief, the innovation promotion process (or innovation 'journey') at IFAD includes the following main phases: (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, in which policy dialogue, knowledge management and partnership-building are essential.

<sup>12</sup> In addition to the Director of OE, two senior evaluation officers and one evaluation officer took part in the process.

<sup>13</sup> This section draws on the IFAD Innovation Strategy of 2007.

15. **2000-2001 CLE on IFAD'S innovation.** This evaluation was instrumental in promoting collective reflection and learning on the opportunities and constraints faced by the Fund in its innovations. Its understanding at completion point had five main recommendations (box 2) and 22 sub-recommendations.<sup>14</sup> The recommendations may be seen in annex IV, which also includes OE's 2009 analysis of the extent to which evidence demonstrates their implementation.

Box 2

**Main recommendations of the Evaluation of IFAD's Capacity as a Promoter of Replicable Innovations in Cooperation with other Partners: Understanding at Completion Point and Executive Summary**

- "Create a common understanding of innovations for IFAD;
- Ascertain [IFAD's] strategic commitment to innovations;
- Specify the stages of the innovation process and integrate them into current operations;
- Align organization processes and innovation promotion;
- Strengthen staff/managers' capabilities and [orient] IFAD's culture [towards] promoting innovations."

16. The analysis reveals that since the completion of the first innovation evaluation, IFAD has fully implemented the first recommendation in box 2 by developing a definition of innovation (box 1). With regard to the second recommendation, IFAD has successfully built innovation into the new country strategic opportunities programme (COSOP) guidelines of 2006, but has not specifically allocated resources for priority thematic or subsector areas in which innovation could be pursued. The third recommendation has been only partly achieved, especially given that approaches to scaling up are not usually integrated into new COSOPs or the design of new operations. With regard to the fourth and fifth recommendations, IFAD has included the promotion of innovation in grant and loan proposals and has improved learning on innovation, but has not sufficiently developed staff capabilities and competencies to support the innovation promotion process (for example, the marketing skills of staff, which would facilitate scaling up of successful innovations, have not been enhanced).
17. **Other key landmarks in IFAD's innovation promotion efforts.** The Independent External Evaluation (IEE) of IFAD<sup>15</sup> was a major landmark in the Fund's innovation journey. The IEE noted: "Innovation is seen as central to the achievement of IFAD's mandate. IFAD defines innovation in a broad way and while it has aspirations to be an innovator, evidence suggests otherwise. The IEE sample of operations clearly indicates that while there are a few highly innovative projects (as well as others that contain innovative elements), many are not. IFAD's contribution to the capture, learning, promotion and replication of innovation also appears unsystematic and inadequate given its corporate mission."
18. The findings of the IEE led to major organizational reforms and changes under the overall aegis of IFAD's Action Plan for Improving its Development Effectiveness,<sup>16</sup> approved by the Executive Board in December 2005. Through the Action Plan, the Fund introduced a series of new policies and strategies and the New Operating Model was developed, including, inter alia, the undertaking of direct supervision and implementation support, and expansion of IFAD's country presence. One specific measure in response to the IEE findings was development of the innovation strategy approved by the Board in 2007.<sup>17</sup> The goal of the strategy is to ensure that

<sup>14</sup> See Evaluation of IFAD's Capacity as a Promoter of Replicable Innovations in Cooperation with other Partners: Understanding at Completion Point and Executive Summary, November 2002, Report No. 1325.

<sup>15</sup> Document EB 2005/84/R.2/Rev.1.

<sup>16</sup> Document EB 2005/86/R.2/Rev.2.

<sup>17</sup> In April 2007, the Board also adopted the IFAD Strategy for Knowledge Management, which is important to the Fund's overall innovation promotion efforts.

innovation is systematically and effectively mainstreamed in IFAD processes and practice. Its purpose is to enhance IFAD's capacity to work with partners – including poor rural people and their organizations – to find and promote new and better ways to enable poor rural people to overcome poverty. An assessment of the innovation strategy is provided in section VI.

19. The IMI was doubtless an important step in IFAD's efforts to promote innovation. The operational framework for the main phase of the initiative was approved by the Board in December 2004, with dedicated funding of US\$10 million, provided through a complementary contribution by the United Kingdom to the Sixth Replenishment of IFAD's Resources. The IMI was conceived as a three-year programme, with the overall aim of enhancing IFAD's capacity to promote innovations that would have a positive impact on rural poverty. It expected to achieve three main results: (i) innovations mainstreamed in IFAD operations; (ii) strengthened learning on innovation and sharing, and the application of such learning; and (iii) a changed organizational culture and practice. An assessment of the IMI is provided in section V.
20. A further impetus to innovation was provided through the Annual Report on Results and Impact of IFAD Operations (ARRI), produced by OE each year since 2003. The ARRI report contributed to inculcating a culture of measuring and reporting on aggregate performance in the innovation, replication and scaling up of IFAD-funded projects in all regions. It also identified areas that warranted the attention of Management and the Fund's governing bodies to further enhance performance in innovation. The 2007 ARRI report was particularly important, as innovation and sustainability were the two topics treated in depth as learning themes in that edition. It articulated priorities for innovation, which had been generated together with representatives of IFAD Management and staff. Box 3 contains a summary of the main factors affecting innovation and the priorities for moving forward, as contained in the 2007 report.

Box 3

**Factors affecting innovation and priorities for moving forward<sup>18</sup>****Factors affecting innovation:**

- Innovation is a relatively new objective for IFAD. Most of the projects evaluated pre-date this.
- Design and approval pressures do not allow sufficient time for scouting for new ideas.
- There is a possible tension between a focus on results (which favours proven solutions) and a focus on innovative approaches (which increases the risk of failure).
- The risks of innovation are perceived differently by and distributed differently among diverse stakeholders.
- Gaps exist in competencies and capacities within IFAD and its partners.
- Loans may not be the most appropriate financial instrument, or at least they need to be better linked with grants.
- Governments are not necessarily receptive to or supportive of innovation.

**Priorities for moving forward:**

- Clarify the definition, aspiration and measurement.
- Create a more-supportive 'space' and internal culture for innovation.
- Structure the innovation process and train staff to support it.
- Increase the time and capacity for innovation scouting.
- Consider measures for marketing and sharing innovation at the country level (e.g. innovation fairs).
- Re-examine the case for more flexible financing instruments, as well as the focus on governments.
- Consider how innovation could be facilitated and encouraged within project design and implementation.
- Increase direct supervision, implementation support and country presence.
- Improve knowledge management, innovation-sharing and the rotation of staff.

21. Finally, the revised grants policy approved by the Board in December 2009 is a further illustration of the Fund's continued commitment to innovation in agriculture and rural development. The promotion of innovation is, in fact, at the centre of the goal and expected outputs of the policy.
22. **IFAD performance in providing strategic directions for the promotion of innovation.** The evaluation also examined in detail the Fund's key policy and strategy documents developed since 2000, as well as selected operational documents (e.g. guidelines for the quality enhancement of projects). The analysis sought to determine the emphasis placed on promotion of innovation, based on six key parameters embedded in the innovation strategy. These include: (i) strengthening the pro-poor orientation of innovations; (ii) building capacity for innovation; (iii) nurturing partnerships for innovation; (iv) adopting rigorous innovation processes, including associated risk management practices; (v) promoting a supportive organizational environment; and (vi) focusing on the scaling up of innovations. The list of corporate documents reviewed may be seen in annex V.
23. The documents reviewed based on the above parameters revealed that the Fund has indeed made significant pronouncements to ensure that innovation is treated with due attention. There was a definite increase in emphasis on innovation, roughly from 2000 through 2006, which coincided with: adoption of the Report of the Fifth Replenishment of IFAD's Resources by the Governing Council in February 2001, undertaking of the first CLE on the topic, adoption of the IMI, and inclusion of

<sup>18</sup> Identified by IFAD staff at the ARRI Learning Workshop in 2007.

innovation as a key principle of engagement<sup>19</sup> in the IFAD Strategic Framework 2007-2010.<sup>20</sup>

24. Adoption of the innovation strategy in 2007 was itself a further reflection of the importance of innovation, even though the strategy was mainly a vehicle for articulating and formalizing the approaches that IFAD had pursued to promote innovation in the past decade or so (an assessment of the relevance and initial implementation of the innovation strategy is contained in section VI). Finally, the next section provides an overview of the emphasis devoted to innovations in COSOPs and IFAD-funded projects, using the same parameters outlined in paragraph 22 above.

Box 4

**Key points of IFAD's strategic directions on innovation in the twenty-first century**

- In response to a request by the Consultation on the Fifth Replenishment of IFAD's Resources, OE conducted the first CLE on innovation in 2000-2001. This was a key document, which analysed IFAD's capacity to promote innovation, and opened the way for concerted collective reflection and debate on the topic in IFAD.
- The IEE underlined that innovation was central to fulfilling IFAD's mandate. It further stated that while there were a few highly innovative projects, many were not. It also found that IFAD's capacity to learn was inadequate.
- The IMI was developed in 2004 and the innovation strategy in 2007. The IFAD Strategic Framework 2007-2010 included innovation as one of the six principles of engagement. These documents reflect the strategic pronouncements and importance IFAD attributed to the promotion of innovation as a means of reducing rural poverty.
- The ARRI reports produced by OE since 2003 were instrumental in inculcating a culture of measuring and reporting on aggregate performance in innovation and scaling up.

### III. Meta-evaluation of past performance and the evolving role of innovation and scaling up in ongoing operations

25. This section draws on building blocks (ii) and (iii) of the evaluation. These include: assessing the performance of past IFAD operations in promoting innovation (using a meta-evaluation approach); reviewing selected ongoing COSOPs and project designs, with the aim of assessing the extent to which IFAD is internalizing its own experiences and lessons in promoting innovation; and determining the evolution of country strategies and projects following adoption of the innovation strategy.
26. A meta-evaluation entails the aggregation of findings and results from a series of (previous) evaluations. Assessing the performance of past operations was facilitated by the fact that the **promotion of innovation, replication and scaling up** has been an integral evaluation criterion in OE's methodology since 2002. It is also enshrined in OE's 2009 evaluation manual, which lists guiding questions for evaluators in assessing and rating the performance of IFAD-funded projects in promoting innovation. As stated in the manual, OE evaluations are required to assess innovation and scaling up in IFAD operations using the definitions adopted by IFAD in its innovation strategy. A total of 96 IFAD-assisted projects in all five geographical regions have been evaluated by OE since 2002 using a consistent methodology.
27. Moreover, since 2001 OE has undertaken a number of evaluations that focus on innovation. In addition to the CLE of 2000-2001, OE has undertaken three major

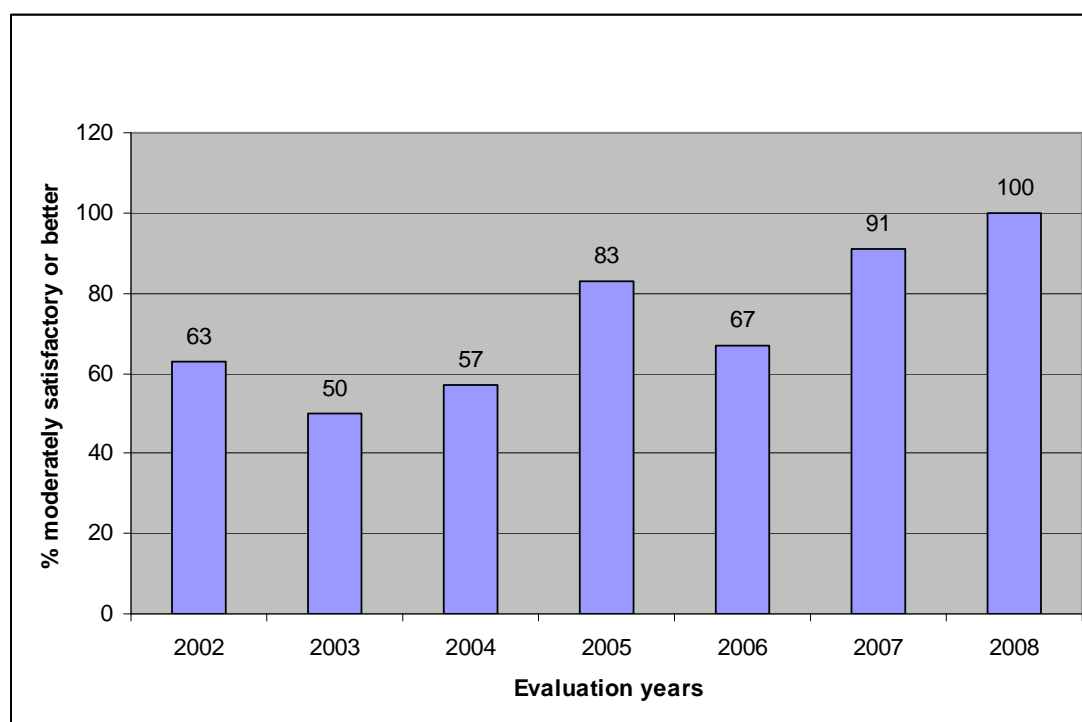
<sup>19</sup> Innovation, learning and scaling up is one of the six principles of engagement that the Fund would apply in its strategies and operations in order to achieve its overall development objectives.

<sup>20</sup> Approved by the Executive Board in December 2006 (document EB 2006/89/R.2/Rev.1).

thematic evaluations on the subject. These include: (i) Agricultural Extension and Support for Farmer Innovation in Western and Central Africa: Assessment and Outlook for IFAD (2001); (ii) Local Knowledge Systems and Innovations in the Asia and the Pacific Region (2003/2004); and (iii) Innovative Experiences of IFAD Projects in Peru (2003/2004). Externally, there were the External Review of the Results and Impact of IFAD Operations (2002)<sup>21</sup> and the IEE (2004/2005), which also assessed the performance of IFAD-funded operations and provided insights on the topic. Thus this section draws on a wealth of existing evaluative evidence, as well as additional analysis undertaken and information collected in the context of the present evaluation (e.g. through country visits).

28. In addition to the meta-evaluation to determine past performance, the evaluation reviewed a selection of COSOPs and project design documents to understand the evolving approaches to innovation in recent strategies and operations (see paragraphs 40-46). As mentioned previously, the recent COSOPs and project designs were assessed in terms of the six parameters in paragraph 22.
29. **Past performance.** Chart 1 shows the performance of projects by year since 2002 in innovation, replication and scaling up.

Chart 1

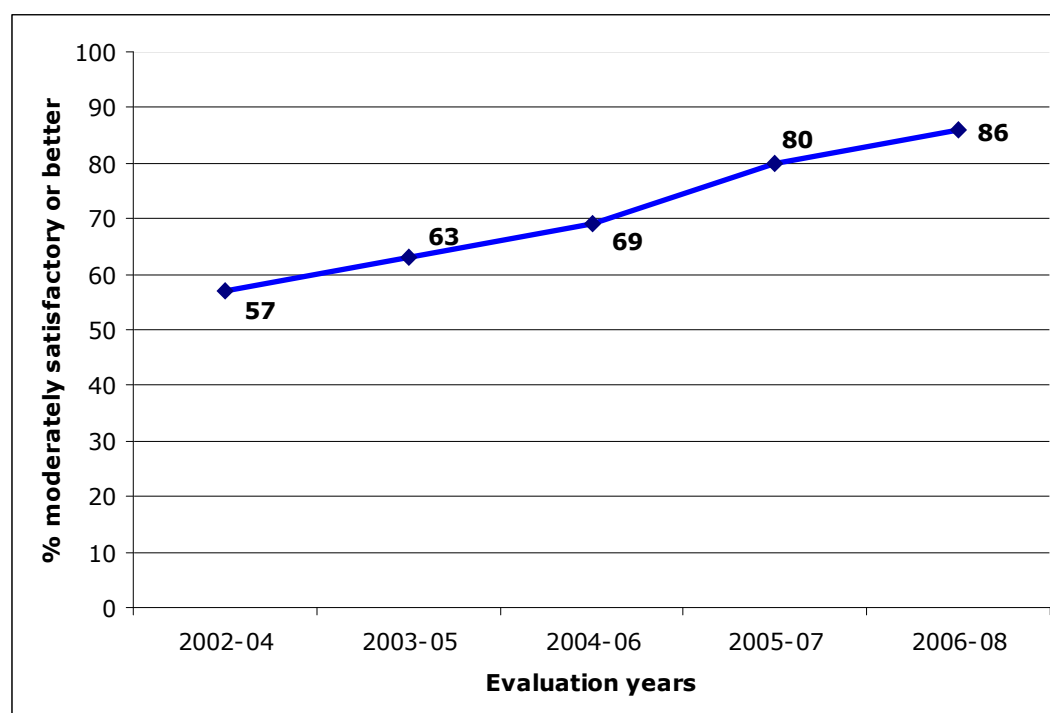
**Performance of IFAD-funded projects in innovation by year of evaluation**

30. Chart 1 illustrates that performance in terms of innovation has consistently improved over the years, with 100 per cent of the projects evaluated in 2008 being moderately satisfactory or better. There are, however, two qualifications. First, the relatively high results in 2005 may be caused by the fact that projects evaluated by OE in any year are largely chosen on a non-random basis. Second, the very high results in 2008 may be partly due to the fact that evaluations in the past devoted more attention to assessing the innovative characteristics of projects, rather than to analysing replication and scaling up. To redress this methodological concern, the OE evaluation manual now clearly includes a set of questions that each evaluation is required to answer, both on innovation and on replication and scaling up.
31. The above analysis and positive trends are further corroborated by the three-year moving averages of the entire evaluation dataset (chart 2). Three-year moving

<sup>21</sup> [www.ifad.org/gbdocs/repl/3/e/REPL-VI-3-R-2.pdf](http://www.ifad.org/gbdocs/repl/3/e/REPL-VI-3-R-2.pdf).

averages allow for a more reliable assessment of trends in performance over time, as they contribute to overcoming biases that may result from the sample of projects evaluated, which, as mentioned, are not chosen on a random basis.

Chart 2

**Performance of IFAD-funded projects in innovation (three-year moving averages)**

32. Based on independent evaluation data, it seems plausible to conclude that IFAD has exceeded the target set for performance in innovation. As agreed with the Board in September 2007, the results measurement framework for reporting on progress achieved against the Strategic Framework required 65 per cent of projects to be moderately satisfactory or better by 2010. Data from IFAD's self-evaluation system also reveal that the set target has been surpassed,<sup>22</sup> as 71 per cent of the projects closed in 2008/2009 manifested a moderately satisfactory or better performance in innovation.
33. In addition to the overall emphasis on innovation by Management and IFAD governing bodies, there are a variety of reasons for the upward trends over the years and for improvements in the performance of IFAD-funded projects in innovation. For example, following the advent of the IMI in 2004, innovation began getting greater space and attention in the self-evaluation system, especially in the former Portfolio Performance Report produced annually by Management. This was one measure that encouraged country programme managers (CPMs) to treat the promotion of innovation more coherently. Another development was the increasing recognition over time that IFAD needed to devote enhanced attention to non-lending activities (such as knowledge management, policy dialogue and partnership-building), in addition to financing investment projects, given the significance of these non-lending activities in the promotion of innovations and their scaling up. An additional factor is that relatively more attention was paid to exchanging experiences within IFAD, for example through establishment of electronic knowledge networks,<sup>23</sup> more-systematic organization of annual implementation workshops at the regional level, and organization of seminars and workshops at headquarters. This is particularly important, given that a large

<sup>22</sup> See chart 1 in the 2009 Report on IFAD's Development Effectiveness (document EB 2009/98/R.10).

<sup>23</sup> ENRAP, FIDAFRIQUE, FIDAMERICA and KariaNet.

number of innovations are ones that have previously been applied in other contexts.

34. The country visits undertaken during this evaluation, and other OE evaluations of individual projects and country programmes, systematically reveal that two far-reaching adjustments to IFAD's New Operating Model have been critical in promoting innovation: (i) direct supervision and implementation support; and (ii) country presence. Even though the direct supervision policy was not adopted very long ago, the Fund had begun experimenting with direct supervision in the second half of the 1990s.<sup>24</sup> Similarly, although the Field Presence Pilot Programme was officially launched in 2003, there are several instances of country presence being established before that year. These two elements of the operating model are fundamental, among other issues, as they enable the Fund to gain deeper knowledge of potential institutions and partners, scout for innovations, and promptly identify opportunities for replication and scaling up. In fact, the 2007 ARRI report notes that some of the most innovative projects have been in countries with a permanent IFAD presence (e.g. India and Peru), and that direct supervision and implementation support allows for adjustments during implementation and more systematic follow-up, which is also necessary in piloting innovations. Finally, there are other reasons related to the Fund's own organizational capabilities (e.g. improved attention to innovation in quality enhancement and quality assurance) that can explain the better project performance in innovation, and which are covered in section IV.
35. The evaluation also found a number of limiting factors affecting the performance of IFAD-funded projects in the promotion of innovation, as may be seen in box 3, including the fact that governments are often not open to borrowing for innovative projects that may fail, or the need for better use of both loans and grants in different phases of the innovation journey. Moreover, one area in which performance is systematically found to be inadequate is in the scaling up of successfully piloted innovations. A number of examples of scaling up were found during the country visits. However, according to the evaluation, they are often a manifestation of the initiatives, competencies and perseverance of individuals, rather than the result of a strategic, institutionalized approach. The Fund is aware of the generally weak results in scaling up, and there is evidence of increased attention by Management to this topic.
36. IFAD has an active grant programme for research, which has contributed to generating numerous innovative approaches, for example in better land use management, pro-poor technology, gender mainstreaming and livestock development, but the results of these important initiatives have not easily found their way into the Fund's mainstream investment programmes. It can thus be concluded that the potential of IFAD's grant programme has not been fully exploited in the innovation promotion process. Implementation of the Revised IFAD Policy for Grant Financing (2009) offers an opportunity to redress what has been a constraint in the past.
37. **Innovation and other project results.** The analysis conducted in this evaluation reveals a strong relationship between good performance in innovation and in project results (e.g. in terms of effectiveness and impact). Nearly all projects obtaining a satisfactory or highly satisfactory rating for innovation had a similar rating for project performance<sup>25</sup> and overall project achievement.<sup>26</sup> However, the same relationship is not evident between satisfactory performance in innovation and in sustainability. In some 70 per cent of the projects evaluated, sustainability is moderately unsatisfactory or worse in situations of satisfactory or highly satisfactory performance in innovation. This is because numerous complementary

<sup>24</sup> Through the Direct Supervision Pilot Programme, approved by the Executive Board in 1997.

<sup>25</sup> 'Project performance' is a composite of ratings for relevance, effectiveness and efficiency.

<sup>26</sup> 'Overall project achievement' is a composite of ratings for relevance, effectiveness, efficiency, impact, sustainability and innovation.



factors are essential in ensuring sustainability of benefits (e.g. post-project financing of recurrent costs, mainstreaming of institutional arrangements following project closure, etc.), whereas the successful implementation of innovations is essential in achieving effectiveness and impact, given that innovations are a central feature in the design of IFAD-funded projects.

38. **Forms of innovation.** According to the innovation strategy, there are three levels of intensity in processes of innovation: (i) first, and most common in IFAD, is **adoption** in a new context, or on a new scale, of practices or technologies developed by others or in other contexts; (ii) **adaptation** is also common in IFAD, and occurs when a practice is useful but not fully appropriate to a context, requiring a certain amount of redesign; and (iii) the least frequent, but most intense type of innovation is the **creation** of new practices or ideas, which occurs by virtually accidental creative acts or by new combinations of existing ideas.
39. The majority of the projects evaluated by OE since 2002 involved adoption in a new context, or on a new scale, of innovative practices or technologies developed by others or previously applied in other contexts. About half the projects evaluated also included some form of adaptation (e.g. of the technology or institutional arrangement) to meet the requirements of the target group in a new context. The creation of entirely original innovations was rare and was limited to some 7 per cent of the projects evaluated. It is also useful to point out that 10 per cent of the projects evaluated were second- or third-phase operations, aimed at consolidating earlier investments in innovative practices.
40. **The ongoing portfolio.** The following paragraphs provide an overview of the assessment of 21 COSOPs and 68 ongoing project design documents. Of the COSOPs, 16 were approved after the innovation strategy, whereas five were from the period 2003-2006. Of the 68 projects reviewed, 45 had been approved from December 2007 onwards, following approval of the innovation strategy. Ongoing operations were assessed across the six parameters outlined in paragraph 22. The evaluation team looked primarily at the extent of description and the intent of innovation in design documents. It did not attempt to make a judgement on whether the approach was likely to succeed, other than where there were obvious weaknesses in design.
41. There is a clear pattern showing that the 2007 and 2008 COSOPs pay more detailed attention to the promotion of innovations, as compared with those formulated before that period. For example, the newer COSOPs articulate more comprehensively the partnerships for innovations and the role of knowledge management, while the older COSOPs fall short in analysing the risks and their potential consequences. The evaluation also found that the 2006 COSOP guidelines contributed considerably towards greater emphasis on innovation in new COSOPs.
42. At the project level in ongoing operations, in terms of forms of innovation, the analysis reveals that the majority of innovations are still adoptions of known practices into new contexts, even though the degree of adaptation increased noticeably in 76 per cent of the sample. Similarly, the creation of original innovations was more prominent in the ongoing operations (43 per cent), as was the consolidation of innovation initiatives (26 per cent).
43. With regard to the types of innovations, it is important to first underline that an IFAD-funded project may include innovative approaches in more than one subsector or thematic area. The meta-evaluation undertaken (see paragraphs 25-27) found that the most common types of innovations in past operations were institutional (83 per cent), technological (50 per cent), empowerment of rural women (33 per cent), partnership (17 per cent) and policy (13 per cent). However, the new project design shows a different pattern in which institutional innovations are still dominant (81 per cent), followed by innovations in partnership (60 per cent), policy (44 per cent), technology (29 per cent) and gender (21 per cent). The decreased share of technological innovations for agricultural production is of concern, given

the persistent food insecurity situation in low-income countries, climate change and the continuous degradation of natural resources.

44. There is also a change in the sectoral coverage of innovations. The meta-evaluation indicated that innovations cover the sectors of agricultural production and related technologies and services (60 per cent of projects evaluated), rural financial services (53 per cent), the environment and natural resource management (37 per cent), rural microenterprise development and marketing (23 per cent), and access to land and water (13 per cent). As mentioned, projects may include innovative practices in several subsectors, thus the percentages may add up to more than 100. In the ongoing portfolio, the emphasis has changed, with a significant drop in the share of agriculture production and related technology and services to 35 per cent, while rural financial services has retained its share. Attention to innovations in land and water access and in rural microenterprise development and marketing showed a relative increase.
45. Where does IFAD innovate better? Innovations that were moderately satisfactory or better were found in the field of rural finance, followed by rural microenterprise development. However, only 40 per cent of the projects evaluated were moderately satisfactory or better in agricultural technology innovations. Innovations that succeeded were mostly in the adoption category, but with a stronger degree of adaptation. All projects that invested in subsequent phases performed moderately satisfactorily or better in innovation, which supports the conclusion that innovations require time to mature. Successful innovations showed a strong emphasis on institutional innovations, as well as innovations in support of gender equality.
46. IFAD has responded positively to ensuring that some of the requirements for successful promotion of innovation are embedded in project design. These include: (i) the pro-poor orientation of innovations; (ii) building the capacity of project staff in innovation management; (iii) valorizing lessons from the past and adapting innovations to new contexts; and (iv) nurturing partnerships for innovation. The Fund was found to be less strong in: identifying the risks associated with innovation; embedding a rigorous innovation management process in design and implementation; creating a conducive organizational environment for promoting innovation; and scaling up successful innovations.

Box 5

**Key points on past performance and evolution of innovation in ongoing operations**

- The performance of IFAD-funded projects in promoting innovation has steadily improved over time. However, performance in scaling up and risk analysis has not been good.
- The majority of projects in the past were strong in adopting innovative practices in a new context. The same applies to ongoing operations, although there is a wider degree of adaptation and the creation of original innovations has also increased.
- There is a reduction of innovations in agricultural technology, as compared with the past. Institutional innovations are most prominent in IFAD-funded projects, followed by innovation in partnerships, policy, technology and gender.
- Innovations in rural finance and rural microenterprise development were on the whole successful, whereas less than half of the concerned projects were moderately satisfactory or better in promoting agricultural technology innovations.

#### **IV. Progress in IFAD's organizational capabilities to promote innovation**

47. The assessment in this section relates to building block (iv), which is evaluating progress in the Fund's organizational capabilities to promote innovation. In particular, the evaluation included repeating an organizational capability survey that was first conducted in the evaluation of IFAD's innovation capabilities in 2000-

2001. This time, the survey included two additional sections, one on the IMI and one on the IFAD Innovation Strategy.
48. The purpose of the survey was to assess whether progress has been made at the organizational level in developing an environment that allows innovations to be promoted and scaled up within IFAD. Three methods of investigation were used: (i) an innovation survey provided quantitative data; (ii) a qualitative analysis of 14 bilateral interviews and two focus groups, with a cross-section of IFAD staff, explored organizational issues in depth; and (iii) IFAD's documentation was reviewed to assess whether there was evidence that state-of-the-art innovation promotion techniques were being used in the organization.
49. **The innovation survey.** The aim of the survey was to answer the broad question "Does the way we function help or hinder innovation?" The survey used for this evaluation compared IFAD with a reference model derived from an analysis of the common features of 106 innovative organizations, including some non-profit organizations.<sup>27</sup> The model, developed by the Centre for Research in Innovation Management at the University of Brighton in the United Kingdom, has three levels of enquiry. The highest consists of six 'domains',<sup>28</sup> the intermediate level has 18 'components' and the third level 56 'elements'. The survey contained 56 questions;<sup>29</sup> 39 staff and consultants responded to the survey in 2009, as compared with 40 in 2001.
50. **Findings of the survey.** Figure 1 (the wheel diagram) illustrates the results of the survey. The six domains may be seen at the centre of the wheel, while the 18 components are visible towards the outer circular border of the wheel. Every domain received higher scores in 2009 than in 2001. The greatest improvement was in competency, suggesting that IFAD has strengthened its ability to 'make innovation happen'. The lowest improvement was in decision-making, among other issues, implying that decisions about launching a new idea or initiative are not always made after careful consideration or that managers do not proactively deal with blockages that constrain change. When the data are considered at the component level, the picture becomes clearer. The 2009 scores are higher for 17 of the 18 components when compared to the 2001 scores. It is only for 'managers sustain momentum' that the difference is negative, but this may be the result of improvements elsewhere, suggesting that the intervention of senior managers is needed less often to drive initiatives forward.
51. Annex VI shows the detailed scores for each of the 18 components. IFAD can be seen as doing better in employing and empowering talented people, selecting development pathways,<sup>30</sup> and being open to multiple perspectives and effective in implementation. IFAD is less strong in incorporating innovation into strategic plans, involving everyone in supporting innovative initiatives, using learning to advance innovation, making decisive commitments<sup>31</sup> and sustaining momentum.

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<sup>27</sup> No comparable research-based innovation survey is available exclusively for non-profit organizations.

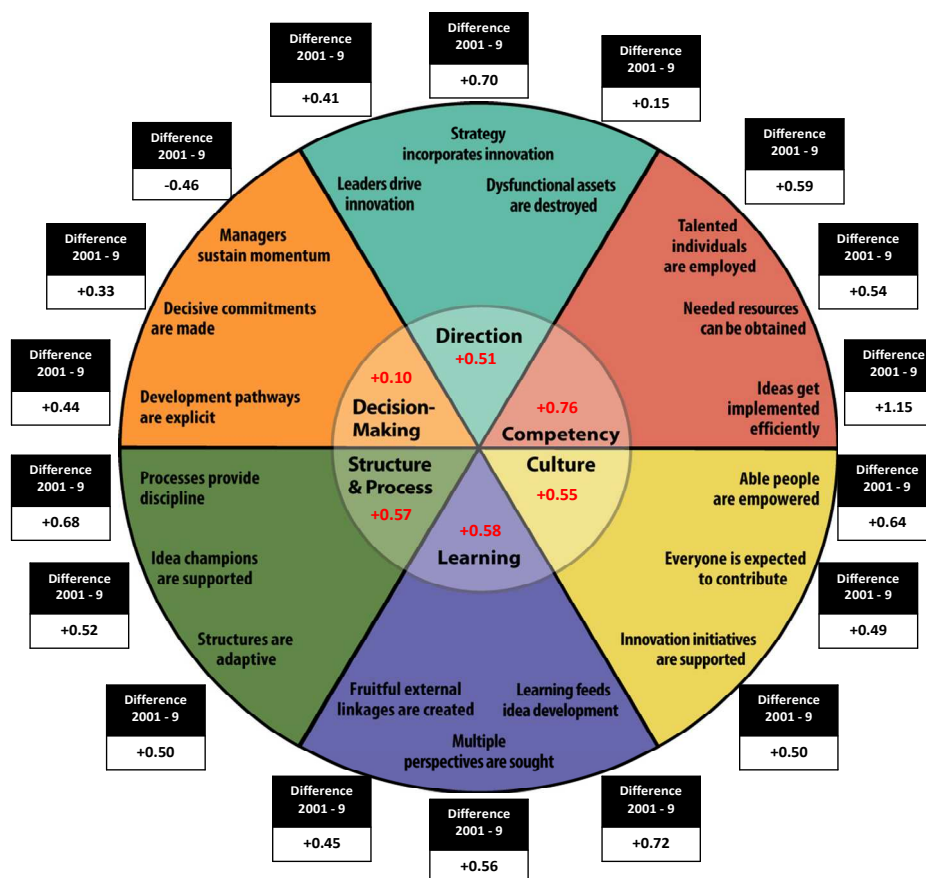
<sup>28</sup> See annex VI for definitions.

<sup>29</sup> Each question could be answered on a six-point scale: 1 – agree to little or to no extent; 2 – agree to a slight extent; 3 – agree to a moderate extent; 4 – agree to a great extent; 5 – agree to a very great extent; and 6 – agree totally.

<sup>30</sup> This includes studying new ideas and techniques that have been developed by others to see whether they should be adopted by IFAD.

<sup>31</sup> This would include, for example, the ability of IFAD's knowledge and information management systems to support effective decision-making about which innovation should be selected for scaling up.

Figure 1  
Results for IFAD organizational innovation capabilities (2001-2009)



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52. While almost all of the score changes show improvements, it is of concern that the absolute level of all scores is low, with no score reaching 3.5 or more on the 6-point scale, where 6 is the highest score. In fact, in 2001 IFAD was in the lowest quartile of the 43 organizations surveyed using the same questionnaire, and it remains in this group in 2009, although its ranking has improved by five places from the 41st to the 36th position.<sup>32</sup> It is of concern that the average score for the entire sample is 3.36 (i.e. of all 43 organizations), but in 2009 using the same calculation, IFAD's score was 2.91. As a comparison, it may be useful to underline that the 10 top-ranked organizations had an average score of 3.80 or more. According to this model, a score of 3.50 or more may be viewed as a relatively high-scoring innovative organization. Of the 43 organizations surveyed, 17 had an average overall score of 3.50 or more. Organizations with weak innovation capabilities have a score of 3.00 or less, and there were 10 such organizations in the sample, including IFAD. However, it would be wrong to place too much emphasis on these comparisons, since the other organizations surveyed were not directly comparable and did not have to maintain the standards of probity required by an international financial institution.
53. The pattern that emerges is one in which improvements have taken place, but from a low base. Most of the improvements relate to operational performance, not to how leadership and decision-making are practiced. From an innovation perspective, IFAD has become more efficient and more open, but not better directed (e.g. one of

<sup>32</sup> The overall score of each organization is calculated as an average of all scores for the 56 elements in the survey questionnaire.

the lowest scoring elements is that IFAD's innovation strategy does not direct peoples' efforts to where new ideas are needed). This finding becomes clearer when the most detailed level of analysis is undertaken, that is reviewing the findings on the 56 elements of the reference model (see next section).

54. **Changes in IFAD's innovation capabilities.** Annex VI also shows which of the 56 elements scored significantly higher or lower in 2009 in comparison with 2001. As it happens, nine of the elements in 2009 had climbed by 25 per cent or more in both climbers' and fallers' categories. The same annex also illustrates the 15 highest- and 15-lowest scoring elements.
55. The elements that climbed in the rankings indicate that IFAD has improved its ability to implement, both in the use of facilitative social processes such as teamwork and in programme and project planning. With regard to the latter, important progress has been made in quality enhancement and quality assurance processes, which have contributed to focusing management and staff attention on innovation.<sup>33</sup> The self-evaluation system of IFAD also devotes attention to innovation. It is significant that members of Senior Management take a greater direct interest in innovation, suggesting that top leadership involvement has increased. Several of the falling elements relate to management practice (which appears to consult less with staff regarding new ideas). There are also difficulties related to: the availability of resources; a lack of speed in taking new ideas through the system; and, importantly, a suggestion that IFAD is insufficiently open to ideas from a wide diversity of sources, including poor rural people themselves.
56. The list of the 15 lowest-scoring elements is revealing. It shows that two of the bottom five items relate to the lack of 'outward-looking' training that could help those who champion innovation find, select and implement new ideas. The second lowest item relates to the extent to which managers remove blockages that can hinder the progress of innovative initiatives. There are concerns about IFAD's organizational structure and, interestingly, the fourth item from the bottom suggests that IFAD's innovation strategy has had little if any effect on behaviour.
57. **The innovation journey.** The innovation journey model (see figure 2) was not available in 2001 at the time of the first evaluation on the topic. At the base of the diagram is the 'innovation capability' of an organization (which is measured by the innovation survey described above). The journey has five main phases: searching, exploring, committing, realizing and optimizing. In the searching (or scouting) phase, the organization looks for new and different ideas. Facilitating the systematic exploration of the pros and cons of new ideas is part of the exploring phase of the innovation journey. In the committing phase, the emphasis moves from "what could we do?" to "what should we do?" In addition, in this phase, an organization defines what resources and new capabilities are required to support an innovation initiative. In the realizing phase the emphasis moves to execution (piloting). Finally, in the optimizing (or scaling up) phase the emphasis is on maximizing benefits. Optimizing is central to the concept of innovation – otherwise the whole process is not worthwhile.
58. One important aspect of the journey is the definition of an innovation agenda (during the exploring and committing phases). An innovation agenda is essential in focusing an organization's limited resources on selected innovation priority areas or domains that are driven by the organization's mandate, comparative advantage, specialization and track record.
59. The questions related to the innovation journey in the survey have been analysed at the level of these five phases. The survey reveals that staff perceive IFAD to be

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<sup>33</sup> For example, innovation is one criterion included in the Maturity Assessment Template for overall design of new results-based COSOPs and project design (IFAD President's Bulletin dated 15 July 2008 on Guidelines for COSOP Quality Enhancement and Quality Assurance).

stronger in searching, exploring and realizing than in committing and optimizing (scaling up). The detailed scores can be seen in annex VI.

Figure 2  
Innovation journey model



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60. **Qualitative analysis.** Twenty-one staff members took part in two focus-group discussions and interviews on IFAD's innovation capabilities, leading to various interesting findings. Broadly speaking, staff unanimously underlined the importance of innovation for IFAD as a principle of engagement in reducing rural poverty. IFAD had succeeded in conveying the message that innovation was important, expected and relevant to the development community. However, the Fund had not succeeded in indicating what this meant in practice or how to go about promoting innovations and their scaling up. Another finding was that there could potentially be a conflict between the quest to be innovative and the numerous additional tasks (e.g. direct supervision and implementation, policy dialogue, knowledge management, self-evaluation, etc.) that CPMs are required to discharge. The limited opportunity for sharing of knowledge among CPMs was also considered a barrier to innovation promotion. Innovation appears to occur in IFAD because committed individuals take initiatives and succeed with at least some of them.
61. The evaluation concludes that innovation takes place in IFAD principally through multiple processes of improvisation that have been legitimized by policy documents such as the Fund's innovation strategy. However, IFAD's formal organization has not been designed to support multiple improvisations. Those who have the role of standardizing practices have not been sufficiently active in helping IFAD staff develop the needed mindsets and skill sets, as well as in providing the required incentives. Scholars of innovation studies sometimes use the analogy of a jazz band to describe the reality of innovation. If this analogy is used to describe IFAD, then the musical genre is explicit but the musicians improvise, with varying levels of

skill, according to their own perception of the tune. So there is plenty of jazz but it is difficult to discern the tune being played!

Box 6

#### Key points on IFAD's organizational capabilities to promote innovation

- The 2009 survey, which is a repeat of the one done in 2001, reveals improvements in IFAD's organizational capabilities to promote innovation, although from a very low base. IFAD is still in the lowest quartile of 43 organizations that have taken the same survey.
- The survey reveals that IFAD is strong at searching or scouting for innovations, but weak at scaling up.
- Innovation appears to take place at IFAD largely through individual initiatives, rather than in a systemic manner. There are improvements in operational processes, but the human resource skills and incentives are not in place to promote innovation.
- The 2007 innovation strategy has had little effect on behaviour.
- The survey reveals that managers are not tough in dealing with blockages that may hamper change and that opportunities for training are limited. IFAD's knowledge and information systems are not strong in enabling effective decisions about which innovations should be selected for scaling up.

## V. Assessment of the IFAD Initiative for Mainstreaming Innovation

62. The IMI programme had three objectives: (i) strengthening innovation in IFAD operations; (ii) increasing learning and sharing lessons on innovation; and (iii) changing organizational culture and practices to support innovation. The programme design included three components corresponding to the objectives. As mentioned earlier, it was funded by a US\$10 million supplementary contribution from the United Kingdom. The funds were intended as a contribution to a multi-donor trust fund on innovation, but no other donors subscribed. The IMI was managed by a small secretariat located in the former External Affairs Department of IFAD. Unlike IFAD's grant policy, the IMI allowed funds to be allocated for use by IFAD itself. All IMI activities were to be linked to the Fund's loan and grant projects.
63. The IMI evaluation (the fifth building block of the innovation evaluation) was guided by the OE evaluation manual. Assessments were based on four main sources of information: (i) available documentation within the IMI; (ii) review of completed or almost completed IMI grants; (iii) interviews with key informants associated with IMI; and (iv) the innovation capability survey of IFAD staff, which was carried out as part of the overall evaluation.
64. **Implementation results.** The main instrument for implementing the first component – strengthen innovation in IFAD operations – was a competitive innovation grant scheme. Proposals were also required to explain how they would further support the other two objectives of the IMI (paragraph 62). A total of 39 grants have been financed by the IMI for small innovative projects. Only 11 of them were complete by the time the evaluation was undertaken in 2009, while a further nine were almost complete and had spent more than 90 per cent of their funds. More recent data reveal that 30 grants have now been completed. The grants approved covered a diverse range of sectors and activities (see table below). Grants with a private-sector connection were the most frequent, many of which were used for value chain and market access development.

Table  
IMI grant portfolio

	<i>Private sector</i>	<i>Rural finance</i>	<i>Technology</i>	<i>Natural resource management</i>	<i>Institutional (internal)</i>	<b>Total</b>
No. of grants	12	8	3	6	10	<b>39</b>
Percentage	31	21	8	15	25	<b>100</b>

65. It is important to distinguish between the results of individual IMI grants and the contribution of these grants to overall IMI objectives (which will be covered in paragraphs 71-82). At the time of this evaluation, some 50 per cent of the grants had been completed or were almost completed. The review of these 20 grants reveals that about 85 per cent can be considered moderately satisfactory or better in terms of overall achievement, whereas 15 per cent were rated as moderately unsatisfactory.
66. IMI grants were used to foster partnerships, for example with the International Food Policy Research Institute (IFPRI). The grant to IFPRI focused on policy development related to climate change mitigation and improved market access for poor people. As mentioned above, partnership with the private sector was an important feature of the IMI. For example, a private-sector entity in China has been involved in risk assessment related to changing weather conditions. IMI resources were valuable in various internal strategic-level processes within IFAD, for example background research that contributed to development of the IFAD Policy on Targeting (2006), the IFAD Policy on Improving Access to Land and Tenure Security (2008), and input into preparations for the forthcoming IFAD Rural Poverty Report 2010.
67. The IMI supported a range of activities aimed at learning and sharing, which is the second objective of the initiative. It supported workshops that provided an opportunity for people within and beyond IFAD to openly discuss innovation initiatives and share their experiences. For example, the IMI supported IFAD's regional Farmers Innovation Fair, held in Ségou, Mali (2004); the Rome-based workshop on What Are the Innovation Challenges for Rural Development? (2005) and the Regional Innovation Fair and Workshop for Western and Central Africa (2008). Each of the workshops has included an output that was circulated to relevant stakeholders. Forty-eight case studies on IFAD's capacity to promote innovation were prepared in the pilot phase of the IMI.<sup>34</sup> These are being promoted through the IFAD website and in key publications. The IMI also supported a series of 'brown bag' informal seminars, with distinguished speakers presenting innovations in agriculture and rural development. This practice has now been adopted by several IFAD divisions.
68. On the other hand, there has been limited support for IFAD's core areas of activity such as smallholder agriculture, rural microenterprise development and gender initiatives. Also, on the whole, IMI activities have not been well linked to IFAD country programmes, and limited attention was paid to ensuring the replication and scaling up of the IMI grant results through IFAD operations.
69. With regard to changing organizational culture and practices to support innovation – the third and probably the most important IMI objective – activities envisaged were to encourage a shift in the work practices of IFAD and its staff towards a more innovative approach. It was expected that the IMI would support training activities related to innovation and new work practices, and would seek to establish an appropriate system of incentives and rewards to motivate staff towards innovative activities. The most notable among these activities was the Creative Problem Solving training arranged by the IMI management team for a total of only

<sup>34</sup> The IMI pilot was set up in 2003, and included eight pilot activities related to developing innovation capacity in IFAD. This was a one-year pilot, which led to production of the 48 case studies of IFAD-financed innovations.



- 66 attendees.<sup>35</sup> Feedback from the training,<sup>36</sup> though based on few respondents, was that it is relevant and useful, but that lack of time is a major barrier for staff in applying the practices recommended.
70. In general, few activities were undertaken – such as field exposure and immersion for IFAD staff – that aimed to fulfil the third IMI objective. On the whole, planned activities such as providing incentives for staff (e.g. non-financial rewards systems), testing new work arrangements that have proven successful in the private sector, and promoting cultural change (e.g. identifying innovative ideas and viewpoints external to IFAD) have not been implemented to the extent required. Some changes in organizational practices were promoted by the IMI – such as inclusion of the Microfinance Information eXchange (MIX) market as a tool for assessing and monitoring the viability of rural finance service providers – but most changes in practice have occurred mainly through the wide-ranging reform processes within IFAD in the past three-to-four years (e.g. improved quality enhancement and quality assurance) and not through the IMI. Thus it is difficult to trace or attribute the results of cultural change directly to IMI activities.
  71. In the following paragraphs, the evaluation makes an assessment of the IMI as a whole, and not of the individual grants it financed, using standard OE evaluation criteria.
  72. **Relevance.** The IMI programme was timely and relevant. Its three objectives were appropriate to IFAD's needs, as they aimed to respond to the increasing importance of innovation in the Fund's policy and strategy documents. The IMI addressed the need to mainstream innovation processes and allocate specific resources to innovation activities. On the whole, the design of the programme was largely relevant. For example, it allowed IFAD to invest funds in its own development, which was not possible under the IFAD grant policy. The design of a discrete, externally funded programme, situated within the main hierarchy of the organization and focused exclusively on promoting innovation, offered a good opportunity for organizational change. But there were some weaknesses in the design that prevented the IMI from being of further relevance to the organization: (i) it aimed to undertake a large list of activities that were not prioritized; (ii) some of the activities, such as developing incentives for staff, were clearly beyond the scope of the IMI to address, and no specific suggestions were included in its framework on how these activities could realistically be achieved; and (iii) the IMI only noted a requirement for annual reporting: it did not propose a rigorous regime of developing specific programme targets in relation to results or of regular monitoring and evaluation (M&E). In addition to the aforementioned, the evaluation raises the question of whether it was appropriate to locate the IMI management team in the former External Affairs Department, and whether this could have limited the relationship between IMI activities and IFAD's loan- and grant-funded operations. Overall, in spite of some design limitations, IMI relevance is rated as satisfactory.
  73. **Effectiveness.** The first two objectives of the IMI – mainstreaming innovation and strengthening learning on innovations – were achieved to a fair degree, but the third objective – promoting changes in organizational culture and practices to support innovation – has largely not been met. On the whole, the IMI was moderately effective in achieving the objectives of the programme.
  74. Positive results identified in the review of completed grants include: strengthened partnerships for innovation (36 per cent of completed grants); increased innovation capacity (10 per cent of grants); and identification and analysis of policy issues related to innovation (15 per cent of grants). But the results of the remaining

<sup>35</sup> Approximately 10 per cent of the IFAD staff complement.

<sup>36</sup> Feedback was gathered through an internal IMI survey incorporating electronic and face-to-face feedback by participants. The total number of respondents was 16 of the 66 participants, two of whom were IMI staff. It is not clear whether there were duplicate respondents in the two forms of data.

- 39 per cent of grants did not have a clear strategic link to IMI objectives. The IMI contributed to learning and sharing on innovation within IFAD through various activities (workshops, forums, publications, etc.). The documentation of these activities has been useful to the participants and, in some cases, has been promoted more widely throughout IFAD. The IMI also proposed that an institutionalized process of analysis and synthesis of the innovation process was required, along with a more structured approach to involving consultants and network partners in learning and sharing lessons on innovation. It is not evident that these learning and sharing objectives have been achieved.
75. There was low awareness of the third objective. The fact that the IMI had available resources for internal IFAD use was its main attraction. As mentioned previously, no new work arrangements to promote innovation have resulted from the IMI. The extent to which practices in innovation have changed seems to have occurred due to some influence of the IMI, but also to large influences beyond it, mainly through internal IFAD reform processes such as the new guidelines for results-based COSOP and project design and the portfolio review process. As also mentioned previously, neither the IMI nor other mechanisms within IFAD have succeeded in creating an appropriate incentive framework for IFAD staff to promote innovation and its scaling up.
76. **Efficiency.** The IMI was to be completed by end 2007, but even after a one-year extension to end 2008, expenditures had only reached 55 per cent. By June 2009, only 11 of the 39 IMI grants had spent 100 per cent of their allocated budget. The total overhead costs of IMI over four years to end 2008 were US\$1,064,348 (excluding any overhead corporate charges). The ratio of administrative to programme expenditure is about 1:5 (20 per cent) relative to the funds expended to date, which is on the higher side. If the IMI funds are fully expended, this ratio is likely to improve. If no major administrative costs are incurred and all funds received are expended, the ratio of administrative to programme expenditure may reach 1:10.58. Annex VII contains additional financial data on the IMI.
77. The efficiency of the IMI grants allocation process was also assessed in relation to the time elapsed between announcing the bid and approval of grants. An average of 82 days from submission of proposals to the allocation of funds would appear to be long. Intervals increased owing to difficulties in obtaining a quorum for screening meetings and the travel schedule of the staff involved. However, once the grants were approved, allocation of funds occurred within an average of 20 days. This appears to be considerably better than the time taken to approve IFAD regular grants, which were reported by several respondents to take longer. On another issue, none of the US\$40,000 allocated in the IMI for monitoring ongoing grant projects was used by end 2008. Twenty-three of the 39 IMI grant projects assessed by the evaluation were running behind schedule. The average time between original completion date and actual completion date is 502 days. All in all, the evaluation judges the IMI's efficiency to be moderately unsatisfactory.
78. **Impact.** There is evidence of improvements in the performance of IFAD operations in terms of innovation, but the contribution of the IMI to this result cannot be discerned. There are other impacts attributable to the IMI. Improved rural finance practices have been good, with investments by the IMI leading to continued and increased investment in improving microfinance standards worldwide. Several grants have explored innovations in climate change and weather risk. Results are tentative, but do demonstrate innovations in relatively new areas of interest for agriculture and rural development. The IMI has also contributed to development of a range of guides, such as IFAD's 2004 *A Practitioner's Guide for Institutional Analysis of Rural Development Programmes*. Although the outputs of these grants have been achieved, the pathways for promotion and use of the guides within IFAD operations are not well defined. The innovation capability survey showed that respondents were divided into three broadly equal groups: with just over a third (40 per cent) not agreeing or only slightly agreeing with the positive statements

about the IMI, and just under one third each agreeing moderately or greatly with the statement. This balance shifted slightly to the negative end of the scale on the contribution of the IMI to supporting organizational culture and practices of IFAD and to institutionalizing an appropriate system of incentives and rewards to motivate staff to support innovation. In conclusion, the evaluation judges the impact of the IMI to be moderately satisfactory.

79. **Sustainability.** Implementation of some IMI initiatives is ongoing. Thus the actual sustainability of results cannot be assessed fully. Nevertheless, an assessment of the likelihood of sustainability of the benefits of the IMI was attempted by assessing the sustainability of the completed grants. Of those assessed, 20 per cent were not intended to be sustained, because they were one-off activities such as workshops. Of the remaining 16 grants, nine (56 per cent) showed indications that the initiatives were likely to be continued as part of IFAD operations. It should be noted that several of the grants included processes that were core activities of IFAD rather than original innovations, such as the Rural Poverty Portal. Nonetheless, these initiatives are likely to be continued within IFAD and to act as a continuing resource in supporting innovation within the organization. This is a positive result that underlines the importance of some of the grants as an instrument to strengthen innovation within IFAD operations.
80. On the other hand, there are many activities that did not achieve the projected results. In particular, the systematization of innovation in relation to IFAD operations and the envisaged cultural change have not occurred. The lack of strategic performance in this regard compromises the long-term impact of the IMI and the sustained impact of the investments. Given the available information to date, the IMI is rated moderately unsatisfactory for sustainability.
81. **Performance of partners.** Partnership under the IMI has largely been between IFAD and DFID. The support from DFID was both timely and relevant given the strategic directions of IFAD at that time. The IMI benefited from an annual review by DFID in 2006. Initially, it had been expected that DFID would conduct these reviews annually, but this did not occur. Payments to the IMI did occur regularly and in line with IFAD requests. There was no documented expectation that DFID would play a more active role within the IMI. Thus DFID performance can be considered satisfactory.
82. The performance of IFAD is more complex to determine. The identification of the IMI as a potential instrument to strengthen innovation within IFAD responded to the strategic needs of the organization at the time. Early development of the IMI showed creativity and a good understanding of what was required. Implementation performance was varied, with satisfactory performance in some aspects and moderate results in others. The main issues were: the absence of mechanisms within the IMI to link activities more clearly to IFAD's broader programmes; there was no results-based framework for monitoring; no internal work programming; and the follow-up and synthesizing of grant reporting was insufficient. This led to the prioritization of activities that were useful and important, but which sidelined other strategic initiatives that could have achieved the anticipated operational shift towards a more mainstreamed innovative approach within IFAD. Yet the expectations of the IMI were high, and it could be argued that, at the corporate level, IFAD provided insufficient institutional support for the programme. The IMI management team attempted to balance strategic and operational priorities with limited resources. This has not always resulted in satisfactory performance, but has generated positive results and momentum towards innovation within IFAD. As mentioned before, the location of the IMI management team in the former External Affairs Department was not appropriate and constrained the linkages between the IMI and IFAD's overall development activities. IFAD's overall performance is rated as moderately satisfactory.

Box 7

#### Key points on the IMI

- The IMI was a useful and timely initiative aimed at improving IFAD's capacity to promote innovation.
- Overall, good results have been achieved on the first two objectives (strengthening innovation in IFAD operations and increasing learning and sharing on innovations), but the third and perhaps most important objective (changing organizational culture and practices to support innovation) has largely not been met.
- The IMI was appreciated more for the funding opportunities it offered than as a strategic instrument for introducing systemic enhancements for promoting pro-poor innovation. The linkages between the IMI grant activities and IFAD's programme of work were weak.
- The institutional positioning of the IMI management team in the former External Affairs Department was inappropriate and constrained linkages between IMI activities and IFAD's programme of work.
- The IMI suffered from limited institutional support, lack of a results-based framework for monitoring, and inadequate follow-up on grant reporting and synthesis of results.

## VI. IFAD Innovation Strategy

83. As mentioned in paragraph 6, assessment of the IFAD Innovation Strategy is one of the building blocks of this evaluation. The evaluation focused on assessing the relevance of the strategy<sup>37</sup> and its initial implementation. Given the short time span between approval of the strategy and the undertaking of this evaluation, it was not possible to conduct a results-based assessment. In fact, in 2007 OE had requested IFAD Management to defer development of the innovation strategy, so that it could be informed by this evaluation. However, Management was unable to take up this suggestion.
84. The innovation strategy, which was one of the deliverables of IFAD's Action Plan for Improving its Development Effectiveness, was approved by the Executive Board in September 2007. For the first time, the document captured IFAD's definition of innovation (see box 1 in section II) and outlined why it was important to IFAD. The purpose of the strategy was to ensure that innovation was systematically and effectively mainstreamed in IFAD processes and practice. The implementation of the strategy was described as needing to involve the whole organization, and it was recommended that the President designate a member of the Senior Management team as responsible for championing, monitoring and overseeing the implementation of the strategy. It was suggested that the IMI be reconstituted into an Innovation Services Group and that the latter would establish an innovation network to support the clarification and definition of challenges faced by poor rural people in new ways, thus leading to the identification of truly innovative solutions. With regard to results, the strategy stated that the number of projects rated moderately satisfactory or better for innovation, learning and scaling up would be the main indicator for measuring the success of the strategy.
85. The evaluation found that the innovation strategy has primarily been a mechanism to consolidate and articulate IFAD's existing approach to innovation, which has contributed to strengthening the focus on innovation at the corporate and country strategy level. However, aside from clear statements on why innovation is necessary to IFAD, the evaluation found that the strategy was more a confirmation of IFAD's approach to innovation, and hardly included any of the new factors needed to ensure success. Of particular concern, for example, is the lack of elaboration of the way in which the commitment to innovation would affect other levers of the organization – such as human resource skills, incentive structures and

<sup>37</sup> The assessment of relevance was based on seven attributes common to such competency-driven strategies (annex IX).

- shared values – and which led to the lack of effective implementation of the strategy. Similarly, the strategy has not influenced staff behaviour to any significant degree.
86. The strategy promotes a “let a thousand flowers bloom” model. This is an incomplete model for IFAD, as it fails to focus innovative energies and resources where they are most likely to lead to breakthroughs. The strategy did not help IFAD develop mechanisms for selecting high potential opportunities that needed to be isolated and given special attention.
  87. Also, there is an overemphasis on ideas in the innovation strategy. Innovation is not about creativity alone; it is about exploiting the benefits that flow from new ideas. Hence, many of the challenges in delivering innovations relate to an ability to execute. This aspect of innovation is not developed in the strategy. On a related issue, the first innovation evaluation in 2000-2001 clearly noted that IFAD’s capabilities for scaling up were weak, but there were no proposals in the innovation strategy as to how these specialized capabilities would be acquired.
  88. It is essential to underline that, according to the evaluation, IFAD’s main reason for focusing on innovations is to ensure their scaling up in order to achieve broader impact on rural poverty. This notion was also enshrined in the Report of the Consultation on the Sixth Replenishment of IFAD’S Resources, which stated, “The Fund and its partners should continue to facilitate, more proactively, the promotion and dissemination of innovations in rural poverty reduction that are identified by various sources, including poor people themselves, and enable them to be replicated and/or scaled up by other IFAD projects and larger partners.” Thus the fact that scaling up was not adequately addressed is considered a significant shortcoming.
  89. The strategy noted the importance of knowledge management in ensuring success in the promotion of innovations and their scaling up. Various promising initiatives in knowledge management have been undertaken in the past two years,<sup>38</sup> even though project-level M&E systems essential to IFAD’s knowledge management activities remain generally weak. Knowledge management has been actively championed since 2008, but the same cannot be said of innovation (paragraphs 90-91). Moreover, the reality is that the two processes (innovation and knowledge management) – which are mutually reinforcing – have not been sufficiently linked in the past. In this regard, the recent decision of Senior Management to integrate IFAD’s stand-alone knowledge management and innovation strategies into one process, and to ensure their effective implementation by April 2010, is an appropriate and timely step forward.
  90. The strategy did not chart a process for IFAD to acquire the capabilities it lacked. An internal change team (the proposed Innovation Services Group, which was never established), alone, cannot develop and embed a range of competencies in an organization driven by line management. In fact, the evaluation believes that the responsibilities intended for the Innovation Services Group were ambitious, especially given that the promotion of innovation in a cross-organizational function cannot be left to one group to facilitate. Moreover, the innovation network could not be formed, given that the Innovation Services Group was never constituted.
  91. A member of the Senior Management team (the former Assistant President of the External Affairs Department, EAD) was named the champion of implementation of the strategy, but the responsibilities were not discharged effectively. The evaluation

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<sup>38</sup> For example, IFAD established a knowledge management core team under the leadership of the former Vice-President in 2008, and a knowledge management ‘communities of practice’ was set up in the same year. IFAD organized a knowledge management launch initiative in 2008 to raise awareness of the importance of knowledge management, to create space for dialogue and learning from each other, and to stimulate horizontal collaboration across divisions and departments. A knowledge fair on community-driven development to share experiences from Africa was organized in 2009. These are some of the initiatives that illustrate the efforts made by IFAD to systematize knowledge management activities within the Fund.

questions whether it was appropriate to designate the Assistant President of EAD as the innovation champion, given the mandate of that department and the corresponding functions of the Assistant President. The evaluation notes the recent decision to designate IFAD's Chief Development Strategist as the champion for Knowledge Management and Innovation, who is in a better administrative position to fulfil the requirements. He has the important role, among others, of supporting line management and staff (especially in the Programme Management Department) and fostering a culture in which knowledge and innovation processes are adequately embedded throughout the organization. The latter is essential to ensuring success in the promotion of innovations and their scaling up.

92. In general, therefore, the evaluation concludes that the relevance of the innovation strategy has been moderately satisfactory, but that it has not had a significant impact in steering the Fund towards becoming a more agile organization in promoting innovation. Moreover, the strategy was not adequately implemented, with limited support from Senior Management at the time. Annex IX provides further details of the relevance and initial implementation of the innovation strategy, building also on findings from the innovation survey and focus group discussions with IFAD staff.

Box 8

**Key points on the relevance and initial implementation of the innovation strategy**

- The innovation strategy was useful in that it articulated why innovation is important and why IFAD needs it. It also provided a definition of innovation.
- The strategy did not, however, contain anything new, and did not pay sufficient attention to scaling up and the linkages between innovation and knowledge management processes. The current decision to integrate IFAD's stand-alone knowledge management and innovation strategies into one process is a move in the right direction.
- The strategy promoted a broad approach to innovation, rather than encouraging a focus on selected areas of IFAD's comparative advantage, specialization and track record. It also did not articulate how the strategy would affect other levers of the organization.
- Implementation of the strategy has been inadequate and did not benefit from the necessary Senior Management commitment.
- The evaluation notes the recent designation of IFAD's Chief Development Strategist as the new champion of Knowledge Management and Innovation, who is in a better administrative position to fulfil the requirements. Among other issues, he has the important role of supporting line management and staff (especially in the Programme Management Department) and fostering a culture in which knowledge and innovation processes are adequately embedded throughout the organization.

## VII. Scaling up successful innovations: the future challenge

93. The most successful innovations are those that deliver the greatest benefits to the greatest number at an affordable cost. From IFAD's perspective, this means making a substantial, and broad, impact on rural poverty. Thus IFAD's aim is to facilitate the widespread adoption of innovations that offer real advantages. This is a challenging task in itself.
94. The need to scale up successful innovations has long been recognized by IFAD. It is also a key dimension of the optimization phase of the innovation journey. The innovation strategy states that "effective scaling up is a key measure of successful innovation". The Strategic Framework asserts that, "... innovation without scaling up is of little value". The emphasis on scaling up in strategic documents shows a systematic increase since the early 2000s. But this has not been fully reflected in country programmes. Almost none of the evaluated projects have clear design objectives and strategies for scaling up, nor are resources and capacity-building

directed to this purpose. Very limited evidence was found in relation to replication and scaling up in the role of supervision by cooperating institutions. Systematic efforts to disseminate innovations in the country for the purpose of scaling up are not common either, nor are those aimed at cultivating strategic partnerships for the purpose of scaling up.

95. Past evaluations reviewed attributed the limited success of scaling up to: (i) inadequate attention to non-lending activities (i.e. policy dialogue, knowledge management and partnership-building); (ii) poor synergies between grant- and loan-funded projects; (iii) limited IFAD country presence, and only recent engagement in direct supervision and implementation support; and (iv) inadequate capacity and funding constraints within governments, in particular weak M&E systems at both project and country levels. M&E systems are essential in documenting experience and learning from successfully piloted innovations, which is a key step in the scaling-up process. Moreover, the absence of a systematic approach by IFAD to involving larger international financing institutions and the private sector was often reported as another important limitation. Few projects provided clear evidence of having processes and mechanisms in place and resources allocated for this purpose, not to mention the demonstration of actual scaling up of some of the Fund's successful innovations. Most new design documents (60 per cent) express scaling up as a hope for the future and do not include a specific strategy for the purpose. For example, there is no evidence of partnerships or resources committed to scaling up of initiatives. Only 20 per cent of the project designs reviewed show a systematic intention to scale up and selection of partners. Provisions for scaling up were not evident in the remaining 20 per cent of the new project design documents reviewed.
96. Nevertheless, there are cases where scaling up did take place in country programmes. One example is the linking of self-help groups to formal financial institutions in India through the Tamil Nadu Women's Development Project, which was scaled up by the Government of Tamil Nadu and later by the World Bank. Some of the innovations promoted by IFAD have been developed on a greater scale by other donors, or are orienting public policies and initiatives by governments (e.g. IFAD's innovative approaches to promoting participatory, small-scale irrigation contributed to the development of the National Irrigation Policy in the United Republic of Tanzania).
97. However, the evaluation did not find any structured process in place for ensuring scaling up. Rather, it is mostly the result of a combination of favourable factors during project implementation, related to the visibility of project success, positive partnerships and a favourable policy and institutional environment. This was observed from the review of closed projects as well as in the country visits.
98. The ability to maximize benefits from innovations through scaling up is a subset of the dynamic competence in innovation that IFAD is seeking to develop. So far, however, it is apparent that scaling up is an IFAD ambition, without a plan to develop the relevant approaches and capabilities. The evaluation concludes that innovation for IFAD will be of limited value without scaling up, and that governments, the private sector and cofinanciers (especially international financial institutions) are essential partners in this process. Finally, the evaluation does recognize that greater attention is being devoted to identifying the competencies and processes needed to scale up successful innovations. The collaboration with the Brookings Institution begun in 2009 is one example of the Fund's commitment to developing these processes and competencies.

Box 9

**Key points on scaling up**

- Innovation without scaling up is of limited value to IFAD.
- While the importance of scaling up has long been recognized by IFAD, it is not adequately built into country programmes.
- While there are some examples of successful scaling up, the resources allocated are insufficient, and staff skills are not adequate to the purpose. Scaling up has largely occurred in an informal and unsystematic manner, largely due to individual initiatives.
- Partnerships with governments, the private sector and cofinanciers (especially international financial institutions) are of paramount importance in scaling up.

### **VIII. Benchmarking innovations: IFAD and other organizations**

99. The analysis in this section draws on building block (vii), which entailed the undertaking of a benchmarking study. The aim of the study was to position IFAD within the spectrum of comparator agencies, to gauge similarities, differences and common challenges, and to derive pointers for potential learning. Five organizations were included in the study: the Humanistic Institute for Development Cooperation (HIVOS), the International Development Research Centre (IDRC), Irish Aid, the United Nations Development Fund for Women (UNIFEM) and the World Bank. The methodology for the benchmarking included reviewing literature from these organizations on their experiences in promoting innovation, as well as semi-structured, standardized teleconference interviews with key people in these agencies.
100. Unlike IFAD, none of the studied agencies have adopted an explicit definition of innovation, and the term is understood differently in the various organizations. IFAD is also the only agency among the comparators to have an explicit innovation strategy. In the other five organizations, innovation is emphasized to various degrees in their strategy and policy documents. Similarly, unlike IFAD, none of the five agencies has a stand-alone strategy for knowledge management, which is a cornerstone of the promotion of innovation. However, they do have systems and approaches that facilitate the capture, storage and dissemination of knowledge, even though they are not well utilized.
101. None of the consulted agencies use a specific model or process for innovation. All agencies stressed the contextual nature of innovation, and that it is not possible to work with a single perspective on innovation, as it is defined by its context and there are many different entry points, institutions and partners involved. All agencies stressed the importance of resources and appropriate financial instruments in promoting innovation – in particular, the use of grants, especially in the initial stages. All agencies recognize that human resources are a key area for an organization’s innovative capabilities. Both HIVOS and IDRC stressed the fact that they employ people with a particular mindset, who think outside the box and are innovators by nature. But limited use is made of individual incentives to specifically promote innovation. All agencies are committed to flexibility (particularly non-bureaucratic procedures), and openness and flat hierarchies are considered conducive to innovation. Open discussion cultures characterize these institutions.
102. All five organizations see themselves as risk takers and that a certain percentage of failure should be expected. None have a risk management strategy, but all are in the process of formulating either a strategy or a formal risk assessment model. In this regard, some of the agencies emphasized that an excessive focus on quantitative results and targets may limit an organization’s capacity to promote innovation. Partnerships with a wide variety of actors were considered essential by all in promoting innovations and in their scaling up.



Box 10

**Key points on benchmarking IFAD in relation to other organizations**

- IFAD is the only organization among the comparators to have an explicit definition of innovation and documented innovation and knowledge management strategies.
- None of the consulted agencies have a specific model or process of innovation. They all stressed its contextual nature.
- Human resources are considered key to an organization's capabilities to promote innovations that can be scaled up. Like IFAD, these agencies do not have incentive mechanisms to promote innovation.
- All organizations recognize that innovation entails risks and that failure is not uncommon.
- A focus on quantitative results and targets may limit an organization's capacity to promote innovation.

## IX. Conclusions and recommendations

103. **Conclusions.** The extent of rural poverty in developing countries is widespread, and IFAD is a relatively small development actor given the level of resources at its disposal in relation to the magnitude of the problem. The situation is further compounded by continuous new challenges, such as most recently, those related to volatile food prices, climate change and other environmental concerns, and transnational epidemics. In this context, with a mismatch between the magnitude of poverty and the resources available to IFAD – but also to the development community at large – to address the plight of poor people, innovations offer an opportunity through which multiplier effects can be achieved to reduce rural poverty. To this end, IFAD is favourably positioned to become a global leader, given its long history and commitment to innovation.
104. The Fund has made steady progress in the past decade towards becoming an organization focused on innovations in agriculture and rural development. The centrality of promoting innovations and their replication and scaling up was recognized in the statement of *IFAD's Vision of 1995*. It developed dedicated strategies on innovation and knowledge management, and launched a specific initiative to mainstream innovation. Many of its key corporate documents – such as the IFAD Strategic Framework for 2007-2010 and the final reports adopted by Member States following the Fifth and Sixth Replenishments of IFAD's Resources – further articulate, and are additional examples of, the Fund's commitment to promoting innovation.
105. However, the situation on the ground in terms of results is more mixed. The performance of IFAD-funded projects has steadily improved in the promotion of innovation. The 2002 ARRI report revealed that only some 60 per cent of the projects evaluated by OE 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. This steady improvement is commendable. However, close to half the projects evaluated reveal merely moderately satisfactory results in innovation, and scaling up is particularly weak. But 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 CPMs, who act without concrete incentives and accountability.
106. A number of organizational capabilities are required to support the innovation journey: systematic learning, structure and processes, culture, competencies (including staff skills and incentives), decision-making, and leadership and direction. These capabilities were recognized as weak by the 2000-2001 innovation

evaluation. The present evaluation found that the third, and probably the most important IMI objective – changing organizational culture and practices to support innovation – has largely not been met. The evaluation points out that IFAD’s organizational capabilities remain generally weak and have changed only marginally since the beginning of the decade. In other words, the Fund’s strong strategic commitment to and pronouncements on innovation have not been adequately converted into action to become part of IFAD’s corporate culture.

107. Based on a 2009 staff survey, IFAD remains in the lowest quartile of the 43 organizations surveyed using similar questionnaires, although its rank has improved by five places. The survey also reveals more generally that staff perceive IFAD to be relatively strong at searching or scouting for innovations, but weak in prioritizing innovations to promote and scale them up. The evaluation noted that some key operational processes (e.g. quality enhancement and quality assurance) have been strengthened, but human resource skills and incentives are not in place to promote innovation. Training opportunities are limited and additional resources for advancing promising innovations are not easily available. The survey also found that managers do not deal promptly with blockages that may hamper change (e.g. in terms of identifying additional resources for scaling up). IFAD’s knowledge and information systems do not perform well in decision-making on which innovations to select for scaling up. Also, IFAD is slow in taking new ideas through the system and, importantly, is insufficiently open to ideas from a wide diversity of sources, including poor rural people themselves. All these and other factors are constraining the development of IFAD into a more effective, innovative organization.
108. The evaluation found that IFAD has followed a broad-based innovation approach (“let a thousand flowers bloom”). This metaphor is a reflection of the commitment of Member States and Management to innovation as a key principle of engagement in IFAD-funded operations, but at the same time, illustrative of the fact that promotion of innovation has not been pursued in a focused manner. That is, the Fund has pursued innovation in a variety of topics, rather than focusing on a 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. While the evaluation agrees that the Fund needs to “let a thousand flowers bloom”, especially in order to harness the creativity and energies of poor rural people and other partners in borrowing countries, a more systematic and coordinated approach focusing on a few domains is advisable in the identification, piloting and scaling up of innovations. Similarly, IFAD’s innovation strategy did not require the Fund to channel its innovative energies and resources to selected areas, neither did it chart a way forward for IFAD to acquire the necessary capabilities (e.g. in terms of structure, systems, skills, staff and shared values) to become an innovative organization.
109. The evaluation also concludes that the Fund is devoting relatively more attention to, and finding more success in, 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 agricultural technologies that can lead to better productivity and incomes, the results of such research have not found their way easily into IFAD-funded investment projects. The relatively higher proportion of social engineering and institutional innovations may be attributed to the fact that in the 1990s and the first part of the new millennium, on the whole, IFAD devoted more attention to social capital formation and empowerment, rather than to agricultural activities and the identification of related economic opportunities for poor rural people.
110. The IMI had an important role in mainstreaming innovations in IFAD. Its introduction was a clear illustration of the Fund’s commitment to mainstreaming. Two of the three IMI objectives – strengthen innovation in IFAD operations, and increase learning and sharing on innovations – were broadly met, but not the third

important objective of contributing to changing organizational culture and practices in support of innovation. The staff survey conducted in the context of this evaluation revealed that, among other issues, lack of time, limitations on financial resources, and organizational blockages (e.g. the need to prioritize the commitment of new loans, rather than support the implementation of innovative projects) constrained staff ability to effectively contribute to fulfilling IFAD's innovation objective. Finally, the main instrument used by the IMI was grant funding for small innovative projects, but grant linkages to country programme objectives have been inadequate (as is also the case with IFAD's regular grant programme).

111. 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. Thus attention to replication and, in particular, to scaling up is essential in ensuring a wider impact on rural poverty – for example, in terms of the number of poor people reached or the expansion of specific development activities to cover a greater geographical area. There are examples of innovations that have been successfully scaled up by Government and other donors, but the evaluation concludes that these have been possible largely due to individual initiatives and commitment, rather than to systematic IFAD processes. This casts an important question mark on the ultimate usefulness of the innovations introduced in IFAD-funded operations, given that – as recognized by the Strategic Framework – scaling up is essential in achieving a wider impact on rural poverty. Moreover, limited attention and resources were devoted to replication and scaling up in COSOP formulation and project design and implementation, as compared with the scouting and piloting of innovations. This may also be due to IFAD's lumping of innovation, replication and scaling up as one unique concept. Although interrelated and mutually reinforcing, they are distinct aspects of the innovation journey that require dedicated resources, approaches and attention. Weak M&E systems at the project and country levels limit IFAD's capacity to document and learn from successful innovations, and this is another constraint on scaling up.
65. There are two further reasons that can explain why IFAD's performance in scaling up has been inadequate in the past. First, the attention devoted to non-lending activities (including knowledge management, partnership-building and policy dialogue) has been generally poor. Knowledge management is important – capturing and sharing the lessons and experiences from projects where innovations have been successfully implemented and have achieved favourable outcomes. Partnerships with a diverse range of development actors are critical in all key phases of the innovation journey, including scouting, piloting and scaling up. Policy dialogue is necessary as well, with the aim of ensuring buy-in among those development partners that potentially have the resources and capabilities to replicate and scale up innovations successfully experimented in IFAD-funded operations. In general, the evaluation notes that there was limited attention to non-lending activities in the past, partly because IFAD concentrated its efforts in designing investment projects and programmes (and more recently in undertaking direct supervision and providing implementation support), instead of allocating time, space and resources to non-lending activities. Second, the Fund's operating model in the past – which did not allow IFAD to conduct direct supervision or provide implementation support – and the lack of a country presence constrained its ability to promote innovations, including replication and scaling up.
112. In any case, it is fair to point out that in the recent past IFAD has recognized the importance of scaling up, and due efforts are being deployed towards this end, including through a scaling-up initiative in collaboration with the Brookings Institution. Moreover, the strengthening of country presence, better quality assurance and quality enhancement systems, direct supervision and implementation support, and an increasing focus on non-lending activities are expected to collectively contribute to better results in scaling up, but also in identifying and piloting innovations.

113. As mentioned, lesson learning and knowledge management are vital in documenting and sharing successful innovations with a broader audience. While it is recognized that IFAD introduced a dedicated knowledge management strategy in 2007, and some useful initiatives have been made to share experiences in the past two years, knowledge management can be further strengthened to support innovations within IFAD-supported country programmes and projects. The innovation survey revealed that one specific area that has received insufficient attention is cross-fertilization of experiences in innovation across divisions and departments – and learning from external sources has also been limited. The recent decision to integrate the stand-alone knowledge management and innovation strategies is a step in the right direction, given that the two processes are mutually reinforcing and essential for innovation management. In sum, the evaluation concludes that in the past the Fund had not devoted the required attention to knowledge management and its linkages with innovation, but recent efforts and decisions are appropriate and need to be sustained in the future.
114. On another issue, the evaluation revealed that the resources allocated to the innovation promotion process are inadequate, as are the existing instruments dedicated to the purpose. Notably, few resources and efforts have been devoted specifically to building IFAD's internal innovation capabilities. The main instruments available to IFAD (loans and grants) have not been used in a complementary and strategic manner in support of innovation.
115. In tandem with loans, grants can play a useful role in selected phases of IFAD's innovation journey. For example, at times grants are more appropriate than loans for developing new agricultural technologies or piloting new methods for gender mainstreaming in traditional societies, which can later be scaled up either through IFAD loan-funded activities or by other partners. Grants are also important in situations where governments are reluctant to take out loans from IFAD for projects and programmes that focus on innovation, as they may not bear the desired results in the end.
116. IFAD has invested a fair amount of grant resources in development of pro-poor innovative solutions in agriculture and related areas. Nevertheless, although IFAD's grant programme can potentially play a strategic role in supporting the innovation agenda, evaluation experience underlines that the linkages between grants and investment projects have not been adequately defined in COSOPs and thus have mostly been weak in operations. It is noted, however, that IFAD has recently introduced a revised grants policy, approved in December 2009, which, among other issues, emphasizes the strategic role of grants in innovation and also provides, for the first time, an opportunity to involve the private sector in undertaking research and pilot innovations to be replicated and scaled up through investment projects.
117. In general, there is a disconnect in IFAD between strategic pronouncements and the still weak institutional capability to promote pro-poor innovation on the ground. However, progress has been undeniably achieved and a number of appropriate initiatives are in place (such as the one on scaling up). If IFAD is to become a more effective and agile, innovation-driven development organization in the twenty-first century, and even more, if it aspires to become a leader in the promotion of pro-poor innovation, it will need to achieve a quantum leap, in particular in terms of organizational culture change and capabilities. It will also need to use its "let a thousand flowers bloom" approach within a few strategic areas. However, the evaluation recognizes that the Fund also needs to remain open to promoting innovations at the country/project level that respond to perceived challenges related to the agriculture and rural development of specific country circumstances. It will also need to concentrate its attention more than in the past on the process of scaling up. Clearly, this will not be possible without a commensurate allocation of resources.

118. **Recommendations.** The following recommendations aim to improve IFAD's capabilities to move from its strong strategic commitments and pronouncements towards more systematic and better results on the ground in promoting pro-poor innovations that can ultimately be scaled up.
119. **Define an innovation agenda for IFAD.** The evaluation found that the Fund has followed the "let a thousand flowers bloom" approach to promoting innovation in the past. This approach has not, on the whole, led to the desired results, and IFAD cannot afford to continue spreading its innovation efforts thin – given its relatively limited level of resources and capacities. The evaluation agrees that the Fund needs to "let a thousand flowers bloom" in order to harness the creativity and energies of poor rural people and other partners in borrowing countries. However, a more focused, systematic and coordinated approach is warranted in the identification, piloting and scaling up of innovations.
120. The evaluation recommends that an IFAD-wide innovation agenda be developed at the corporate level, consisting of a 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 successfully promote pro-poor innovations that can be scaled up. These "big bets" should be defined at headquarters through a process of consultation and be implemented through COSOPs and projects to be funded by IFAD. Implementation of the bets would be time bound and would have an adequate resource allocation. Moreover, IFAD should be open, at the same time, to promoting innovations at the country/project level that respond to challenges specific to the context.
121. The definition of the "big bets" will require a decision at the highest level of Senior Management and their continued commitment and support, including first and foremost that of the President of IFAD. A specific process must be developed to identify the "big bets". Some options for this process may include:
- Each year, the operational divisions could propose one or two priority themes/domains (for example, small-scale irrigation or land titling for rural women). In addition, these divisions would be required to outline how they plan to pursue innovations in these priority themes/domains, the resources required, and the monitoring and learning measures that would be implemented to document the corresponding experiences. Submissions from the various divisions could be amalgamated into two or three bets at the corporate level; or
  - Alternatively, IFAD Senior Management could propose two or three "big bet" areas and seek comments from the operational divisions, country offices and other partners before making a final decision on the priority areas.
122. The selected "big bets" would be part of the Fund's innovation agenda, which could be conceived as a corporate rolling plan covering a period of three years or so. The innovation agenda would have specific objectives, activities, timelines, budgets, management and oversight arrangements, as well as monitoring and reporting requirements. The innovation agenda would be approved by the President, who would communicate it in an appropriate manner to IFAD staff and the Executive Board, with a commitment to report on the results annually.
123. The evaluation recommends that more attention be devoted than in the past to the development of innovative solutions in agricultural technologies and other areas that will lead to economic empowerment of poor rural people. Examples of domains that IFAD could consider for bets include: health and weather insurance for poor rural people, rural finance products for dispersed populations, research on high-yielding varieties for rainfed areas and for poor small-scale farmers, carbon projects, market access and value chain development (e.g. risk mitigation for the

transition from subsistence to commercial farming), land titling (including for rural women), valorization of out-migration, and so on.

124. **Treat scaling up as mission-critical.** Scaling up is essential if IFAD is to contribute to a wider impact on rural poverty. It is imperative that concrete approaches and strategies for scaling up are already articulated at the time of COSOP formulation and project design. The roles and contributions of direct supervision and implementation support, and of country presence in support of scaling up should be clearly defined.
125. IFAD should set corporate targets for scaling up and monitor and report on them annually. In this regard, it is also important to underline the accountability framework for scaling up, which would ensure that this critical phase in IFAD's innovation journey is given due attention and resources.
126. Adequate resources and space need to be allocated to non-lending activities, which are essential in scaling up. Staff competencies should be further developed to ensure success in this area. The evaluation found limitations in IFAD's knowledge management system, which is a major building block in IFAD's innovation journey. Stronger efforts are needed in exchanging experiences and lessons on innovation and scaling up within and across the five geographical regions in which IFAD works, both in the regions and among operational staff at headquarters. Some specific initiatives could include the holding of periodic knowledge fairs at headquarters, focusing on innovations by regional divisions; inviting project staff as guest speakers from one region to the annual project implementation workshops organized by another regional division; better linkages among existing IFAD regional electronic networks; and ensuring that country presence staff are better integrated and have opportunities for sharing knowledge. At the project level, improvements in M&E systems are essential. Finally, efforts in knowledge management could be introduced as an indicator in the annual performance evaluation process of IFAD and of project staff.
127. IFAD's policy dialogue and partnership-building agenda at the country level should also be driven by the objective of scaling up, and thus should focus on a few topics that are part of the Fund's innovation agenda in the country concerned. In general, the knowledge management, policy dialogue and partnership-building essential to scaling up are likely to require allocation and deployment of additional financial and staff-time resources.
128. The evaluation found that the concepts of innovation and scaling up were lumped together as a unique block in IFAD, and that the Fund's measurement and reporting systems, including OE evaluations, do not always distinguish between them. It is recommended that, in the future, innovation be assessed and reported on as a separate process from scaling up. However, given the intrinsic relationship and dynamic between the two concepts, assessing the achievements of IFAD's efforts in the entire innovation journey from scouting, to piloting, documenting and scaling up is also essential.
129. **Strengthen organizational capabilities and culture.** The evaluation found that IFAD's organizational capabilities had not improved sufficiently since 2001 to support the promotion of innovations and scaling up.
130. First and foremost, the Fund needs to develop practical innovation management skills. Management of innovation is different from implementing proven approaches. It requires entrepreneurship and the capacity to cope with greater uncertainties, a need for adaptation, a range of skills and a requirement to make difficult choices on emerging evidence. Thus 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 competencies and adopted by IFAD staff and its partners.

131. Staff recruitment should explicitly include innovation as a necessary characteristic, and incentive systems should be introduced that reward staff for promoting innovation and fostering learning and sharing of good practices and experiences in innovation. The annual performance evaluation system for staff should consider innovation in the assessment process.
132. Although the evaluation found that operational processes had been improved in past years, an assessment should be made to discern if any further adjustments are required in areas such as policy formulation, COSOP development, project design, supervision, evaluation systems (including M&E), non-lending activities, etc. to ensure that innovation is fully built into key phases of the country strategy and project life cycle.
133. All recommendations of this evaluation, including that of improving organizational capabilities and culture, will have consequences for the Fund's administrative budget. If IFAD's overall innovation and scaling up efforts are to bear the desired results in the future, a detailed analysis is required to determine financial implications and resource allocations in a timely manner.
134. **The Initiative for Mainstreaming Innovation.** The evaluation recommends that unused funds from the IMI be applied towards initiating implementation of the three main recommendations contained in this evaluation, in particular, towards changing organizational culture and practices to support innovation, which was one of the three objectives of the IMI – and the one whose effectiveness has been unsatisfactory. It is also recommended that the IMI be extended and a work programme be developed for the future. This programme could be funded either through IFAD's administrative budget or by the mobilization of supplementary funds.

## Definition of evaluation criteria used by the Office of Evaluation

<i>Criteria</i>	<i>Definition<sup>a</sup></i>
<b>Project performance</b>	
<ul style="list-style-type: none"> <li>• Relevance</li> </ul>	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project coherence in achieving its objectives.
<ul style="list-style-type: none"> <li>• Effectiveness</li> </ul>	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
<ul style="list-style-type: none"> <li>• Efficiency</li> </ul>	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
<b>Rural poverty impact<sup>b</sup></b>	Impact is defined as the changes that have occurred or are expected to occur in the lives of poor rural people (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
<ul style="list-style-type: none"> <li>• Household income and assets</li> </ul>	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
<ul style="list-style-type: none"> <li>• Human and social capital and empowerment</li> </ul>	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, and poor people's individual and collective capacity.
<ul style="list-style-type: none"> <li>• Food security and agricultural productivity</li> </ul>	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
<ul style="list-style-type: none"> <li>• Natural resources and the environment</li> </ul>	The focus on natural resources and the environment (NRE) involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of NRE.
<ul style="list-style-type: none"> <li>• Institutions and policies</li> </ul>	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of poor people.
<b>Other performance criteria</b>	
<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
<ul style="list-style-type: none"> <li>• Promotion of pro-poor innovation, replication and scaling up</li> </ul>	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and other agencies.
<b>Overall project achievement</b>	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.
<b>Performance of partners</b>	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.
<ul style="list-style-type: none"> <li>• IFAD</li> <li>• Government</li> <li>• Cooperating institution</li> <li>• NGO/Community-based organization</li> </ul>	

<sup>a</sup> These definitions have been taken from the Organisation for Economic Co-operation and Development/Development Assistance Committee *Glossary of Key Terms in Evaluation and Results Based Management* and from the Methodological Framework for Project Evaluation as agreed upon with the Evaluation Committee in September 2003.

<sup>b</sup> It is important to underline that the new manual also deals with the "lack of intervention". That is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention "not applicable") is assigned.



## Report of the Senior Independent Adviser

### Johannes F. Linn\*

1. It is with great appreciation that I have served as the Senior Independent Adviser for the Corporate Level Evaluation of IFAD's Capacity to Promote Innovations and Scaling Up. I reviewed and commented on background papers and drafts of the final report and discussed them very productively with members of the excellent evaluation team and with the management of the Office of Evaluation (OE). In parallel, I served as the team leader for an ongoing review of IFAD's approach to scaling up successful interventions in support of rural poverty reduction. This review is being carried out by the Wolfensohn Center for Development at the Brookings Institution with a small grant from IFAD.

#### A. Overview of the report

2. This evaluation covers an essential element of IFAD's corporate mission and strategy and will provide a very useful platform for IFAD's Executive Board and Management as they develop the path forward for IFAD during a time of new challenges.
3. The evaluation report has many strengths:
  - The report covers the main strategic initiatives of IFAD which underpin the efforts to make innovation and scaling up a core element – perhaps even the core element – of IFAD's assistance activity in support of the rural poor. They include the "Action Plan", the "Initiative for Mainstreaming Innovation (IMI)", the "Strategic Framework 2007-1010", the "Report on Consultations on the Eighth Replenishment", and the "Innovation Strategy".
  - The report rightly focuses not only on innovation, but also on scaling up of successful innovations. It recognizes scaling up as a core aspect of an innovation strategy that pursues innovation not an end onto itself, but a means to achieve effective solutions on a scale commensurate with the problem of rural poverty. An enhanced focus on scaling up is appropriately one of the key recommendations of the report.
  - The methodology used for the evaluation is appropriate, comprehensive and sound – a combination of quantitative metrics and qualitative judgments, of generating new information (e.g., through a staff survey), and of internal investigation and external benchmarking.
  - It links the current evaluation with past evaluation efforts (especially the 2002 evaluation) and draws effectively on the results of project and country programme evaluations, ARRIs, etc.
  - The conclusions are sound: The report finds that IFAD has been on a decade-long path of developing a clear institutional focus on innovation and delivering increasingly innovative interventions in support of the rural poor. But it also concludes that IFAD's approach to "let a thousand flowers bloom" led to a diffuse effort; that IFAD needs to improve the way it harnesses its resources to deliver on its commitment to innovation; and that it has to develop an effective approach to assist in the scaling up of successful innovations.
  - The recommendations are also sound: institute a more sharply focused innovation approach; pay more attention to innovations that enhance the economic potential of the rural poor; deploy institutional resources in a more

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effectively planned, organized and managed manner; develop a systematic approach to scaling up; and separately measure the effectiveness of innovation and scaling up in IFAD operations.

4. In the remainder of these comments I highlight some areas of uncertainty or tensions, which the report has identified, and comment on a few issues which deserve further analysis and evaluation as one looks towards crafting an effective institutional approach to innovation and scaling up in IFAD.
5. But before proceeding I should point out that IFAD is unique among international donor agencies in the stress it puts on the triad "innovation, knowledge management and scaling up". To my knowledge no other development assistance institution has so explicitly formulated a strategic vision around these three inter-related and essential aspects of effective aid. Innovation is needed to bring new insights, approaches and instruments to bear on developmental challenges; knowledge management for effective learning is needed to determine which solutions work, to facilitate their transfer and adaptation and to help create the capacity for effective implementation; and scaling up is needed to ensure that innovation and knowledge are actually brought to fruition on a scale that provides real solutions to real problems. IFAD deserves a lot of credit for this vision and a lot of support in its efforts to implement it.

## **B. Open issues and unresolved tensions**

### **What is "innovation and scaling up" for IFAD?**

6. The report states in table 1 (page 8)<sup>39</sup> that "IFAD has a standing definition of innovation; 'innovation' is generally understood [in IFAD]". However, in box 2 (page 16) the report calls on IFAD to "clarify the definition, aspiration and measurement" of innovation and in various places the report highlights a number of issues which remain to be addressed as IFAD struggles with the question of what is an appropriate definition. There are three aspects to this question:
  - In various places the report reflects some scepticism about the way IFAD has defined innovation. For example, paragraph 72 states that "project documents can interpret almost any initiative as 'innovative' in some way at some level and provide justification because the definition of innovation in IFAD is very broad." It is then not surprising that the evaluation also finds that in IFAD's project documents "aspects of proposals were described as 'innovative' in order to meet the requirements of the approval process" (paragraph 27). The tension here is between opting for a narrow definition of innovation by sharply defining innovation to truly new approaches, or accepting a broader definition which allows for a wide range of activities, including knowledge transfer, adaptation and experimentation for existing practices. I personally prefer the latter approach, especially if the focus remains principally on development results, as it properly should – that is, on the question, "Does the intervention work for the rural poor?", rather than on the question, "Is the intervention innovative?"
  - Related to the issue of definition, paragraph 72 also highlights the question of what is an appropriate metric of innovativeness. This is a matter of concern not only for operational staff and managers, but also for the evaluators. It is not clear from what is presented in the report what the metric of innovativeness used by IFAD's Office of Evaluation is and how it is applied by the different evaluators in the various specific project and programme evaluations. The fact that the report recommends a separation of performance metrics between innovation and scaling up is welcome.

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<sup>39</sup> All page and paragraph references refer to the main evaluation report.

- Then there is the question of how to define “scaling up”. The report presents a characterization of “scaling up and replication” in paragraphs 21, 95 and 96 which identifies scaling up and replication as alternative ways to broaden the impact of interventions. I would prefer a definition of “scaling up” under which scaling up is the overarching concept of achieving broad impact, with specific modalities (replication, diffusion, adaptation, etc.) seen as particular ways to scale up. This would be consistent with the standard approach (see Hartmann and Linn, 2008) and also with the way the term is used in the report’s title and throughout much of its text, referring generally to a broad understanding of the concept of scaling up.
7. There is no single right answer to these definitional, conceptual and measurement issues. But it is important for IFAD to be clear and explicit in its approach.

#### **Tensions in operational approaches**

8. The report notes a number of important tensions in operational approaches involving innovation and scaling up which are worth highlighting:
- **Technological versus institutional and policy innovations.** The report points out that there is a declining trend in the share of technological innovations for agricultural production, while the shares of institutional and policy innovations are on the rise (paragraphs 61 and 62). The report concludes that this is consistent with the strategic direction of IFAD, but registers concern about it in view of persistent challenges of food insecurity, climate change and natural resource degradation. In the recommendation section the report suggest a greater focus on enhancing the economic potential of the rural poor (paragraph 275).
  - **Localized, bottom-up approaches versus top-down, externally driven approaches towards innovation and scaling up.** The report points to a tension between IFAD’s traditional engagement in small projects at the local level, with innovations tailored to the specific needs of (and driven from within) specific communities, versus the introduction of external innovations, the need to standardize and simplify when scaling up in larger projects, and engagement with central government authorities in policy dialogue. (paragraphs 80, 81, and 218) The report recommends that IFAD focus its innovations in a few areas with “big bets” rather than, as it has so far, by “letting a thousand flowers bloom” (paragraphs 271-275), while cautioning that “the Fund needs to also remain open to promoting innovations at the country/project that respond to perceived challenges related to agriculture and rural development of specific country circumstances”. (paragraph 269) This exemplifies well the tension between top-down and bottom-up approaches which IFAD now needs to face very explicitly.
  - **Mitigating risks versus accepting and learning from failure.** The report suggests that IFAD is not doing enough to mitigate the higher risks associated with innovative projects. (paragraph 85) An alternative would be to accept the higher risk and deal with it not principally by mitigation, but by accepting a certain percentage of failures and readiness to learn from them.
  - **Tension between innovation and scaling up.** IFAD’s strategic statements and the evaluation report rightly stress that the challenge is innovation with scaling up, but so far IFAD’s operational approach has been more one of single-minded pursuit of innovation rather than finding the right balance between innovation and scaling up. The report appropriately recommends a more balanced approach, but it is important to recognize that there is potential tension between innovation and scaling up in terms of how IFAD’s limited institutional resources are deployed.

- These are important issues and tensions which IFAD needs to face squarely and explicitly. Addressing these issues and resolving the tensions through transparent choices and guidance to staff is the role of the Executive Board and of the Management of IFAD. Leaving them entirely for country programme managers (CPMs) to address will likely result in a haphazard, piece-meal and non-strategic institutional approach.
- **Learning and knowledge management.** The report concludes that while IFAD has made some progress in systematic learning and knowledge management, this remains an area where improvements are needed. (paragraph 265) Effective evaluation of innovations in terms of the impact and replicability, and systematic monitoring of pilots and learning from their lessons are essential for successful scaling up (see also under "gaps" below). The report points to continued weaknesses in IFAD's monitoring and evaluation practices and inadequate resources devoted to knowledge management more generally. One might add that a key problem is the way IFAD manages its operational work: much of the project preparation and supervision is done by contractors, CPMs are overburdened, and central technical capacity could be better deployed to support CPMs. Fortunately, the recent introduction of direct supervision and field presence provide excellent opportunities for improved operational learning and application on the ground. Finally, the lack of effective linkage between IFAD funded research and its operational work is another example of poor knowledge capture (see also under "gaps" below). Looking ahead, more effective integration of innovation, knowledge management and scaling up will be critical for IFAD's development effectiveness.

### C. Areas deserving further analysis

9. Some important issues are treated only in passing. This is understandable, given the already considerable depth and length of the report. However, they deserve to be noted for future evaluation:
  - **Role of Quality Enhancement and Quality Assurance (QA/QE) processes:** Although there are some references to QA/QE, the report makes no assessment of these important operational management tools. My impression is that these instruments have been important in focusing management's and staff attention on innovation. However, there is little guidance in current operational practice and processes for operational staff which would help them in following a systematic approach to innovation and scaling up, as this evaluation report points out. The specific role of QA/QE processes in this regard deserves special attention.
  - **Treatment of Monitoring and Evaluation (M&E):** The treatment of M&E is limited in the evaluation report (paragraphs 90-92). Effective M&E, including thorough impact evaluation using control groups, is essential for learning and scaling up. A more systematic assessment of M&E activities and specific recommendations how M&E can be enhanced for better innovation and scaling up will therefore be useful.
  - **Use of IFAD-funded research:** The report makes various references to IFAD's grant-funded activities (especially paragraphs 87-88). However, there is no in-depth analysis of the substantial amount of research which is funded by IFAD's grant programme, although difficulties in transmitting the results of research to investment programmes are noted (e.g. paragraph 47). My discussions with concerned managers and staff confirm that little use is made by operational units of the results generated by IFAD-funded research. As the report notes, a new IFAD grants policy is now under implementation. A thorough evaluation of how research funded by IFAD is absorbed internally or externally in agricultural and

rural development programs would be desirable, once the new grants policy has had a chance to gain traction.

- **Human and budget resource management:** While making references to the importance of skills (and of training) and the need for adequate resources, the report does not provide a detailed assessment of the constraints to innovation emanating from these corporate policies and how best to overcome the constraints. A key question is how human resource management and budget/grant resource allocation can be structured so as to create effective incentives for effective innovation and scaling up.
- **Coverage of survey:** The survey of Programme Management Department managers and staff provides a useful input into the analysis of the evaluation. The low self-assessment ratings are of concern, as the report notes, and they are not entirely consistent with the high performance ratings of projects for innovation (100 per cent moderately satisfactory or better in 2008). It would have been helpful to survey also partner (recipient) country representatives and partner institutions who work with IFAD to get their perspective on IFAD's role and performance as an institution that innovates and helps scale up.

#### **D. A final comment: Keep it simple!**

10. The report contains a very comprehensive and at times complex approach to evaluating IFAD's innovation and scaling up activities. For example, the analysis of IFAD's organizational capabilities in section IV involves a sophisticated model with 56 separate elements. While this is helpful from an analytical perspective, it is important that IFAD Management and staff are encouraged to keep the operational approach to innovation and scaling up procedurally as simple as possible. The bureaucratic tendency is to make the process more complex and cumbersome in reaction to critique and exhortation to do more and better.<sup>40</sup> In my experience, the most important factor for successful institutional change is to change the mind set of the people in the institution. IFAD has been successful in changing the mind set of its operational staff to focus on innovation. Now the most important challenge is to do the same in regard to knowledge management and scaling up. Improved processes and capacity are also important, but not at the expense of greater bureaucratic burdens.

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<sup>40</sup> See *Simply Effective: How to Cut Through Complexity in Your Organization and Get Things Done* by Ronald N. Ashkenas (Harvard Business Press, 2009).

## Composition of evaluation and consultant teams

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### Evaluation team

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*Team leader* Mr David Francis, Innovations Management  
Ms Mona Bishay, Senior Resource Person for Methodology and Meta-Evaluation  
Mr Howard Rush, Organizational Expert on Innovations  
Mr Richard Gerster and Ms Sonja Beeli: Benchmarking Study: How to Promote Innovation in Development Cooperation: Lessons Learned  
Ms Fiona Dennison, Statistical Analysis for the Survey on IFAD's Innovation Capability  
Ms Dorothy Lucks, Assessment of Innovation and Scaling up in IFAD's Ongoing Country Programmes: Design Features; Case Study Viet Nam; and Evaluation of the IMI

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## Recommendations of the understanding at completion point of the 2000-2001 CLE on innovation:<sup>a</sup> extent of achievements

<i>Code</i>	<i>Recommendation</i>	<i>Extent of achievements</i>
1	<b>“Create a common understanding of innovations for IFAD”</b>	<b>Achieved</b> IFAD has a standing definition of ‘innovation’ and innovation is generally understood.
2	<b>“Ascertain [IFAD’s] strategic commitment to innovations”</b>	<b>Partly achieved</b> Strategic commitment is strong, but innovation priorities are unclear.
2(i)	Embed innovation within the Strategic Framework and ensure its operationalization	<b>Partly achieved</b> Innovation is stated as a principle of engagement in the Strategic Framework, but the ability to operationalize it is less evident.
2(ii)	Build innovation into COSOPs	<b>Achieved</b> Innovation is well incorporated in recent COSOPs.
2(iii)	Allocate resources based on innovation priorities	<b>Not achieved</b> Resource allocation is not being driven by a focused innovation agenda based on a priority selection of corporate innovation themes.
3	<b>“Specify the stages of the innovation process and integrate them into current operations”</b>	<b>Partly achieved</b> Project design includes innovation initiatives, but limited understanding of process stages.
3(i)	Systematically scout for and select innovation initiatives for promotion	<b>Partly achieved</b> Scouting for ideas is still unsystematic, and pilot testing and selecting are underdeveloped.
3(ii)	Select partners with innovation competencies	<b>Partly achieved</b> Partners’ innovation capabilities are not systematically assessed (although considered informally).
3(iii)	Undertake systematic risk analysis	<b>Partly achieved</b> Although assessment of innovation risk and mitigation takes place, it is unsystematic and often unrigorous.
3(iv)	Systematically test innovations before scaling up	<b>Partly achieved</b> Only in relatively few cases is rigorous pilot testing undertaken.
3(v)	Require the M&E function to monitor innovation performance	<b>Partly achieved</b> M&E does not track innovation performance systematically or at the required level of intensity.
3(vi)	Plan for replication and scaling up	<b>Not achieved</b> Systematic planning for replication or scaling up is rarely undertaken at an early stage.
3(vii)	Disseminate lessons learned effectively	<b>Partly achieved</b> Knowledge management systems improved to disseminate innovation lessons, but more can be achieved.

<i>Code</i>	<i>Recommendation</i>	<i>Extent of achievements</i>
4	<b>“Align organization processes and innovation promotion”</b>	<b>Partly achieved</b> Some organizational processes support innovation, but this is not fully internalized throughout IFAD.
4(i)	Prioritize innovation in assessment of grant and loan proposals	<b>Achieved</b> Innovation objectives are considered essential for all loan proposals.
4(ii)	Synchronize IFAD instruments to provide a continuous innovation pipeline	<b>Not achieved</b> IFAD does not have a continuous innovation pipeline based on well-defined corporate innovation priorities.
4(iii)	Reconfigure partnerships to support IFAD’s innovation process	<b>Partly achieved</b> Still largely informal, but partnerships for innovation are gradually emerging as an important feature in IFAD’s operations.
4(iv)	Develop marketing skills to promote scaling up	<b>Not achieved</b> IFAD does not have distinct competencies in marketing of innovations.
4(v)	Strengthen innovation-oriented knowledge management	<b>Partly achieved</b> Knowledge management strategy formulated and knowledge exchange on innovations improved internally, but there are opportunities to capture knowledge more widely from external sources.
4(vi)	Establish working groups to investigate new instruments for promoting innovation	<b>Partly achieved</b> Working groups have investigated new instruments, but only a few have emerged.
4(vii)	Emphasize innovation in OE’s work	<b>Achieved</b> Evaluation of innovation is mandatory in OE’s manual, but rating is combined with scaling up.
5	<b>“Strengthen staff/managers capabilities and [orient] IFAD’s culture [towards] promoting innovations”</b>	<b>Partly achieved</b> Although IFAD’s culture has become more supportive, competencies have not been developed systematically.

<sup>a</sup> Evaluation of IFAD’s Capacity as a Promoter of Replicable Innovations in Cooperation with other Partners: Understanding at Completion Point and Executive Summary, November 2002, Report No. 1325.



## Tracing innovation in corporate-level documents

<i>Strategy/policy documents</i>	<i>Operational documents</i>	<i>Evaluation reports</i>
<b>2001</b>		
Fifth Replenishment, February	-	-
Strategic Framework for IFAD 2002-2006, December	-	-
<b>2002</b>		
-	-	Evaluation of IFAD's Capacity as a Promoter of Replicable Innovations in Cooperation with other Partners: Understanding at Completion Point and Executive Summary, November
<b>2003</b>		
Sixth Replenishment, February	-	ARRI, September
Policy for Grant Financing, December	-	-
<b>2004</b>		
IMI, December	-	ARRI, September
<b>2005</b>		
IFAD's Action Plan for Improving its Development Effectiveness, December	-	ARRI, December
-	-	IEE, April
-	-	Evaluation of Direct Supervision Pilot Programme, November
<b>2006</b>		
Seventh Replenishment, February	Guidelines for Project Completion, June	ARRI, December
Policy on Targeting, September	Portfolio Performance Report, December	-
Policy on Supervision and Implementation Support, December	Guidelines for preparation and implementation of a results-based COSOP, December	-
IFAD Strategic Framework 2007-2010, December	-	-
<b>2007</b>		
Strategy for Knowledge Management, April	Portfolio Performance Report, December	Evaluation of Field Presence Pilot Programme, July
Innovation Strategy, September	Guidelines for Project Design, December	ARRI, December
-	Quality Enhancement for Project Design: Guidelines for Internal Project Review, December	-
<b>2008</b>		
-	Portfolio Performance Report, December	ARRI, December
<b>2009</b>		
Eighth Replenishment, February	-	-
Revised IFAD Policy for Grant Financing, December	-	-

## Results of the survey on IFAD's organizational innovation capabilities

### Definition of the six domains

- (i) **Leadership** examines: (a) the extent to which senior managers promote innovation; (b) whether innovation is a key element in strategic plans; and (c) the willingness of Management to revise the organization's business model and move away from old ways of doing things.
- (ii) **Competency** examines: (a) the degree to which the organization employs and encourages creative individuals; (b) the extent to which new initiatives are adequately resourced; and (c) the capacity to execute innovation initiatives.
- (iii) **Culture** examines: (a) the degree to which able people are empowered; (b) whether there is an expectation that innovation will be 'part of the job'; and (c) whether there is general support throughout the organization for new ventures.
- (iv) **Learning** examines: (a) the extent to which the organization facilitates outward-looking learning; (b) whether outside sources of innovation are tapped; and (c) whether multiple perspectives on problems, opportunities and solutions are sought.
- (v) **Structure and process** examines: (a) the extent to which the organization is agile; (b) the degree to which support is provided to those who champion new ideas; and (c) whether there are effective disciplines for managing multiple innovation initiatives.
- (vi) **Decision-making** examines: (a) the extent to which the organization has adopted progressive change philosophies that align innovative initiatives; (b) whether decision-making is rapid and bold, but prudent; and (c) whether commitment by managers to support innovation initiatives is sustained over time.

### Scores for the components

<i>Components</i>	<i>2001</i>	<i>2009</i>	<i>High/low</i>
Leaders drive innovation	2.4	2.81	-
Strategy incorporates innovation	2.04	2.73	L
Dysfunctional assets are destroyed	2.78	2.93	-
Talented people are employed	2.48	3.07	H
Needed resources can be obtained	2.32	2.86	-
Ideas get implemented efficiently	2.03	3.17	H
Able people are empowered	2.65	3.29	H
Everyone is expected to contribute	2.24	2.73	L
Innovation initiatives are supported	2.41	2.91	-
Learning feeds idea development	2.05	2.77	L
Multiple perspectives are sought	2.44	3.01	H
Fruitful external linkages are created	2.78	3.22	-
Structures are adaptive	2.32	2.81	-
Idea champions are supported	2.42	2.94	-
Processes provide discipline	2.68	3.36	H
Development pathways are explicit	2.59	3.03	H
Decisive commitments are made	2.43	2.75	L
Management sustains momentum	2.98	2.52	L

**What has changed from 2001 to 2009?**

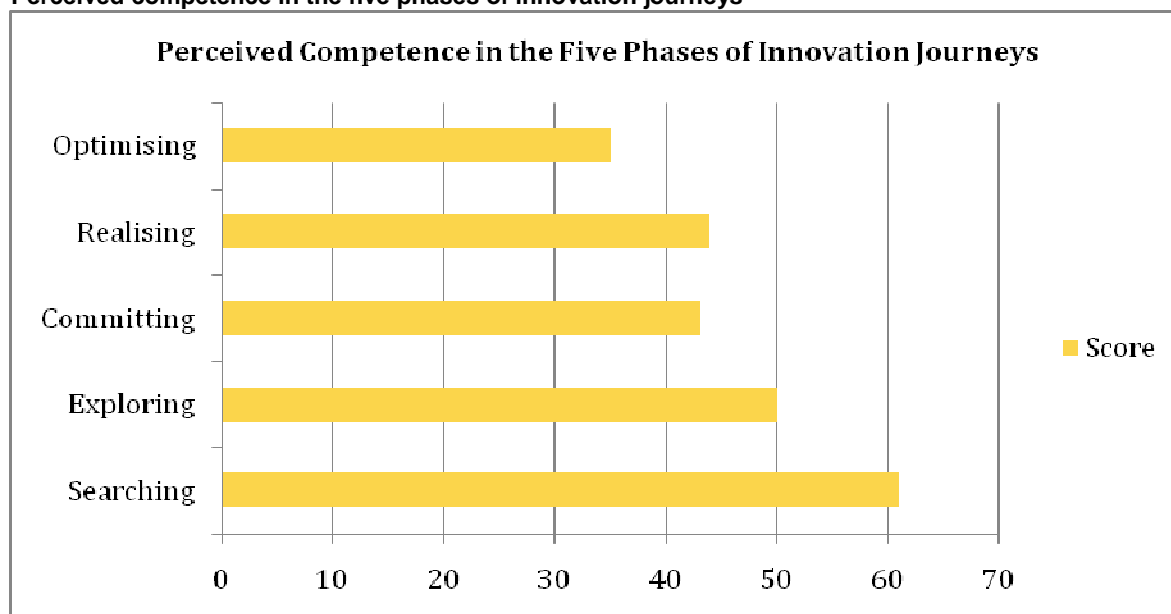
<i>Elements in 2009 that had climbed by 25 per cent or more</i>	<i>Elements in 2009 that had fallen by 25 per cent or more</i>
<ul style="list-style-type: none"> <li>• People in IFAD have all the skills needed to contribute to high-performing teams.</li> <li>• Programmes of work are well managed in IFAD (i.e. execution is highly effective).</li> <li>• People who drive changes through and overcome difficulties are highly respected in IFAD.</li> <li>• Once agreed, new ideas are rapidly implemented across IFAD.</li> <li>• Advisers from outside IFAD are invited to question how we do things.</li> <li>• People in IFAD are clear as to how they can focus their efforts to help implement the Fund's strategic commitment to promoting innovation.</li> <li>• Members of Senior Management take a direct interest in innovative initiatives.</li> <li>• IFAD searches for highly creative people to play key roles (both within the Fund itself and in project delivery teams).</li> <li>• In IFAD, people frequently get together to discuss new ideas.</li> </ul>	<ul style="list-style-type: none"> <li>• IFAD's managers are tough in dealing with anything that blocks change.</li> <li>• We implement the principle that many small ideas, taken together, are a good way to help IFAD develop.</li> <li>• IFAD's strategic emphasis on innovation has caused me to change my priorities as to what is important in my job.</li> <li>• Managers in IFAD frequently ask for ideas from more-junior staff members.</li> <li>• In IFAD, people with good ideas can get the resources to implement their proposals.</li> <li>• The voice of poor rural people is heard strongly in the development of new initiatives.</li> <li>• IFAD can take an idea and quickly turn it into something that can bring substantial benefits to poor rural people.</li> <li>• Managers systematically collect suggestions that could improve IFAD's ability to promote new ideas for poverty reduction from everyone who could contribute.</li> <li>• Decisions on launching a new idea or initiative are only made after very careful consideration.</li> </ul>

**Highest scoring elements**

<i>15 highest scoring elements</i>	<i>Mean 2009</i>
Those who develop new initiatives are creative and well-motivated individuals.	3.89
We have frequent contacts with people from outside IFAD – for example, other agencies, pro-poor organizations, universities, consultants, etc.	3.55
Strong cooperation between teams helps new ideas be implemented effectively.	3.47
Individuals within IFAD or working on IFAD projects are encouraged to take initiatives themselves – providing they operate within guidelines.	3.45
Programmes of work are well managed in IFAD (i.e. execution is highly effective).	3.39
A great deal of time is spent exploring how IFAD needs to change in the future.	3.34
People in IFAD share a deep understanding of the Fund's chosen pathways to help poor rural people achieve social and economic development.	3.31
I can talk openly to all managers in IFAD about opportunities for doing new things, no matter if my ideas are 'outside the box'.	3.29
Advisers from outside IFAD are invited to question how we do things.	3.29
There is a 'can-do' spirit in IFAD (people feel able to get things done).	3.24
IFAD has many talented people who are actively promoting new ideas.	3.18
People in IFAD are encouraged to be self-confident (i.e. act on what they believe is the right thing to do).	3.17
People who drive changes through and overcome difficulties are highly respected in IFAD.	3.17
People with up-to-date knowledge and skills are valued highly in IFAD.	3.16
People in IFAD have all the skills needed to contribute to high-performing teams.	3.13

**Lowest scoring elements**

<i>15 lowest scoring elements</i>	<i>Mean 2009</i>
In IFAD, people with good ideas can get the resources to implement their proposals.	2.66
In IFAD, staff members are assessed on whether they implement new ideas successfully.	2.63
All managers inspire and encourage those working within (and for) IFAD to be creative.	2.63
There has recently been a comprehensive review of whether IFAD is making the best use of new social and science-based technologies (e.g. in community development, agricultural technologies, electronic communications methods, rural development approaches, etc.).	2.61
Managers in IFAD frequently ask for ideas from more-junior staff members.	2.57
Effective planning takes place before changes are introduced (so that new ideas can be implemented effectively).	2.53
Managers systematically collect suggestions that could improve IFAD's ability to promote new ideas for poverty reduction from everyone who could contribute.	2.53
The IFAD Innovation Strategy directs people's efforts to where new ideas are needed.	2.53
We implement the principle that many small ideas, taken together, are a good way to help IFAD develop.	2.51
In IFAD, a great deal of time is invested in developing people's knowledge and skills, so that everyone is fully up-to-date.	2.46
IFAD's knowledge and information management systems enable effective decisions about which innovations should be selected for scaling up or replication.	2.42
The IFAD Innovation Strategy has caused me to change my priorities as to what is important in my job.	2.35
The design of IFAD's organizational structure helps – not hinders – the finding and implementing of new ideas.	2.33
IFAD's managers are tough in dealing with anything that blocks change.	2.32
When something new needs to be done, people in IFAD can have all the training they need to get them 'up-to-speed' quickly.	2.24

**Perceived competence in the five phases of innovation journeys**

## IMI financial performance

(as at 31 December 2008)

	<i>United States dollars</i>	<i>Percentage</i>
Total funds received from DFID*	11 262 065	100
Total funds allocated	8 708 346	77
Total disbursements	6 201 876	55
Balance of funds available	2 553 719	23

### Details of allocated funds

Preparatory phase	837 223	10
Competitive bidding	5 761 930	66
Partnership development	527 133	6
Learning and sharing	815 000	9
Cultural and organizational change	731 900	8
Screening costs	15 210	-
Rapid funding facility	19 950	-
<b>Total allocated funds</b>	<b>8 708 346</b>	<b>100</b>

\* At the time of the IMI's approval, DFID committed itself to provide US\$10 million in supplementary funds in British pounds sterling equivalent. This accounts for the difference in total funds received from DFID.

## IFAD staff perceptions of the IMI programme

<i>Key question</i>		<i>Agree to little or to no extent</i>	<i>Agree to a slight extent</i>	<i>Agree to a moderate extent</i>	<i>Agree to a great extent</i>	<i>Agree to a very great extent</i>
(percentage of respondents)						
Q60 N=37	The IFAD Initiative for Mainstreaming Innovation (IMI) has greatly strengthened learning about innovation.	2.7	32.4	27.0	21.6	16.2
Q61 N=38	The IMI has assisted the application of innovation within IFAD's country programmes.	2.6	36.8	34.2	13.2	13.2
Q62 N=38	Organizational culture and practices of IFAD have become more supportive of innovation because of the contribution made by the IMI.	13.2	28.9	34.2	15.8	7.9
Q63 N=37	The IMI has helped institutionalize an appropriate system of incentives and rewards to motivate staff to support innovation.	21.6	32.4	21.6	8.1	16.2
Q64 N=38	Training activities and discussion events sponsored by the IMI have helped introduce new ideas and approaches to IFAD and the exchange of learning across organizational boundaries.	7.9	28.9	31.6	26.3	5.3
Q65 N=33	IMI-approved grants have financed innovative pilot projects that are being scaled up in IFAD country programmes and/or by others.	12.1	30.3	33.3	18.2	6.1
Q66 N=36	The process of selecting pilot projects for IMI financing is efficient and objective.	13.9	25.0	27.8	25.0	8.3

## Assessment of the IFAD Innovation Strategy

	<i>Assessment criteria</i>	<i>Comments on IFAD Innovation Strategy (IS)</i>
1	State why the competency is required	<b>Achieved.</b> There are clear statements as to how innovation will be essential to future poverty reduction.
2	Provide realistic scenarios of how the competency will be deployed in practice	<b>Partly achieved.</b> Covered by examples provided in the appendix to the IS, but not synthesized to provide clear pathways.
3	State a competency development level ambition	<b>Not achieved.</b> In particular the issue of scaling up is not addressed.
4	Clarify who is responsible for competency development	<b>Partly achieved.</b> Stated, but not deployed (as no member of Senior Management has taken on the role of champion).
5	Provide an assessment of current level of competence	<b>Partly achieved.</b> Touched on in examples provided in the appendix to the IS, but not analysed comprehensively.
6	State how the strategic commitment to develop the competency will affect other levers of the organization: structure, systems, skills, style, staff and shared values	<b>Not achieved.</b> Implementation modalities were not elaborated and there has been no programme of work to implement the strategy.
7	Build an assessment of the performance of the organization in mastering and deploying the competency in the corporate management information system	<b>Partly achieved.</b> The sole 'success' criterion for innovation provided in the report related to the number of projects scoring 4 or above on relevant indices, which is insufficient.

### IFAD staff perceptions of the IFAD Innovation Strategy

	<i>Question</i>	<i>Mean</i>
Q67	The IFAD Innovation Strategy is leading to enhanced institutional capacity to work with partners and to find and promote new and better ways to enable poor rural people to overcome poverty.	2.73
Q68	The IFAD Innovation Strategy is helping build the institution's ability to recognize and understand the challenges that require innovative solutions.	2.76
Q69	The IFAD Innovation Strategy has improved the innovative content and the quality of COSOPs and poverty reduction projects.	2.69
Q70	Under the IFAD Innovation Strategy, country-level partnerships to support innovation and innovation networks have multiplied.	2.62
Q71	Planning and implementation of the scaling up of innovations has received greater attention in IFAD's country programmes under the IFAD Innovation Strategy.	3.00

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