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Enabling poor rural people
to overcome poverty

Synthesis Report on Results-based COSOPs

Evaluation Synthesis

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Abbreviations and acronyms

| | |
|----------|---|
| ACP | Agreement at Completion Point |
| ADB | Asian Development Bank |
| AfDB | African Development Bank |
| APR | Asia and the Pacific Division |
| AR | Annual Report |
| ARRI | Annual Report on Results and Impact |
| CAS | Country Assistance Strategy |
| CCR | COSOP Completion Review |
| COBP | Country Operations Business Plan |
| COSOP | Country Strategic Opportunities Programme |
| CPE | country programme evaluation |
| CPM | country programme manager |
| CPMT | Country Programme Management Team |
| CPS | Country Partnership Strategy |
| CSP | Country Strategy Paper |
| ENRM | Environment and natural resource management |
| ESA | East and Southern Africa Division |
| FAO | Food and Agriculture Organization of the United Nations |
| IDB | Inter-American Development Bank |
| IEE | Independent External Evaluation |
| IFI | international financing institutions |
| IOE | Independent Office of Evaluation |
| LAC | Latin America and the Caribbean Division |
| MAT | Management Assessment Template |
| MDG | Millennium Development Goal |
| MTR | Mid-term Review Report |
| M&E | Monitoring and Evaluation |
| NEN | Near East, North Africa and Europe Division |
| NGO | Non-Governmental Organization |
| NLA | Non-Lending Activity |
| NRM | Natural Resource Management |
| O&M | Operation and maintenance |
| OSC | Operational strategy and policy guidance committee |
| PBAS | Performance Based Allocation System |
| PCN | Project concept note |
| PMD | Programme Management Department |
| PMU | Programme Management Unit |
| PTA | Policy and Technical Advisory Division |
| QA | Quality Assurance |
| QE | Quality Enhancement |
| RB-COSOP | Results-Based Country Strategic Opportunities Programme |
| SO | Strategic Objective |
| WCA | West and Central Africa Division |

Executive summary

1. In December 2011, the Executive Board requested that IOE prepare a synthesis report on experience gained so far with the results-based country strategic opportunities programmes (RB-COSOPs) introduced in 2006. Specifically, the Board wished to determine whether they were serving as an instrument for: (i) improved country programme planning; (ii) learning and accountability; and (iii) capturing synergies between lending and non-lending activities.
2. The COSOPs approved prior to 2006 were largely viewed as internal documents to identify investment opportunities and pipeline projects, rather than as a tool for strategic and dynamic management of IFAD's programme. Moreover, they were prepared with limited participation and input from in-country partners. The new RB-COSOPs place emphasis on alignment with national priorities; joint IFAD and country ownership; synergies between lending and non-lending instruments; results and performance management; learning and accountability; partnership building and harmonization; innovations and scaling up; and a sharper focus on rural poverty with more effective targeting of the poorest in rural areas. At this writing, 50 RB-COSOPs have been approved.
3. The most recent country programme evaluations (CPEs) have observed that in terms of **relevance**, RB-COSOPs have generally been aligned with the strategic objectives of both IFAD and the partner countries. Nevertheless, some areas have not been sufficiently addressed - such as engagement with the private sector, smallholder agriculture, indigenous peoples' issues, and scaling up approaches. Overall, RB-COSOP **effectiveness**, the extent to which the strategic objectives were or are likely to be achieved, is well rated.
4. CPEs have noted an improvement in **overall project performance**, including rural poverty impact, sustainability, innovation and scaling up over the years. However, it is still too early to determine whether the projects included in RB-COSOPs are implemented significantly better than earlier projects, since these projects are still ongoing and have not yet been evaluated.
5. Other CPE findings indicate that there is **scope for improving the synergies** between different instruments (loans and grants, including other non-lending activities). However, there are a number of **constraints** on the performance of non-lending activities (NLAs): insufficient or no budget allocations; limited incentive structures; insufficient in-country human resources; limited grant resources and cumbersome procedures for accessing them; and insufficient integration of these activities into the overall country programme.
6. It is widely acknowledged within IFAD that the RB-COSOP is both important and useful as a strategic document that helps align IFAD's country engagement with national priorities and promotes **mutual ownership and accountability**. Concerns and uncertainties remain as to when a RB-COSOP should be undertaken and whether the COSOP cycle (five years) should be aligned with the Performance-based Allocation System (PBAS) cycle (three years at present). The RB-COSOPs do not now provide any indication of the budget required to implement them and attain their strategic objectives.
7. Although increasing demands are being made for better analytic inputs in COSOP formulation, especially in regard to conducting thorough **background studies** and **analysis of the institutional architecture** at the country level, concerns remain as to how this can be achieved given the meagre resources allocated for COSOP preparation.
8. While most country programme managers (CPMs) find the guidelines useful, the **review process** is cumbersome, does not facilitate effective dialogue with recipient governments and often does not add any significant value. CPMs are often

obliged to spend considerable time responding to the issues raised, sometimes repeatedly in back-and-forth exchanges. The underlying grievance is that greater importance is given to the views of external reviewers than those of the CPM, who is accountable for the entire RB-COSOP process. Furthermore, it may be necessary to “front-load” the review process to avoid causing diplomatic tangles with the Government and undermining the principle of ownership.

9. A key distinguishing feature of the RB-COSOP is the inclusion of a **results management framework** to track the performance and impact of IFAD’s contribution and promote accountability. While reporting of results and outcomes has improved over the years, significant challenges remain at the project and country programme level, such as choosing appropriate indicators that capture outcomes and impacts; linking project goals and outcomes with country-level strategic goals and outcomes; determining realistic goals and expected outcomes; and selecting dedicated composite indicators and targets to measure government performance. Another area of concern continues to be the lack of integration between IFAD and national M&E systems.
10. As at IFAD, country strategies have evolved at other **international financing institutions (IFIs)**, under a process led primarily by country offices, to build in the principles included in the Paris Declaration on Aid Effectiveness, in particular the principle of measuring results. Although other IFI country strategies also include a results management framework, a unique feature of IFAD’s is the inclusion of the agreement at completion point (ACP) whenever a CPE has preceded the formulation of the RB-COSOP, as well as the results management framework of the previous country strategy. Compared to IFAD, the obvious difference lies in the multisectoral approach taken by other IFIs, which makes for more complex preparation. Another common feature among all other IFIs is staff involvement throughout the process, with the use of external consultants an exception. In terms of resources allocated to country strategy preparation, other IFIs have access to far greater resources – estimates range from US\$250,000 to US\$500,000. In terms of content, there are more similarities than differences, with other IFIs paying greater attention to risk identification and mitigation measures.
11. Overall, a survey of the available material would support the following **observations**:
 - **Country programme planning.** The RB-COSOPs have made country programme planning more effective by improving geographic and demographic targeting and alignment with national development goals and IFAD’s strategic framework. Serious efforts have been made to promote full-country ownership in accordance with the Paris Declaration. Still, there is work to be done especially with regard to aid harmonization and adoption of national implementation, monitoring and reporting systems;
 - **Synergies between lending and non-lending activities.** Although the RB-COSOPs have increased the focus on policy dialogue, partnership building and knowledge management to promote innovations and scaling up, the effectiveness of these activities is limited by under-resourcing. This in turn limits synergies and desired impact;
 - **Learning and accountability.** The RB-COSOP’s emphasis on knowledge generation and sharing, as well as on tracking and monitoring results, has led to a heightened sense of accountability among all key stakeholders and has contributed to improved country programme performance. IFAD is generally seen as a reliable and supportive development partner with a wealth of international experience to contribute. The RB-COSOP is viewed as an important part of strengthening and deepening this relationship, while making IFAD’s development contribution more effective.

- IFAD Management could consider a number of ways to further enhance IFAD's operations, namely: (i) the **RB-COSOP guidelines** need to be simplified and streamlined; (ii) the **budget** for RB-COSOP preparation and monitoring needs to be increased; (iii) the **review process** needs to be streamlined and could be "front-loaded"; (iv) **RB-COSOP monitoring** needs to go beyond portfolio reviews and focus more on assessing whether projects and NLAs together are contributing to achieving strategic objectives; (v) M&E systems at the project and country programme level of the **results management framework** need to be integrated with national M&E systems so that COSOPs can become "living documents"; and (vi) **the RB-COSOP should be renamed** a "country partnership strategy" in line with the principles of aid effectiveness.

I. Introduction

1. The Executive Board held in December 2011 requested the Independent Office of Evaluation (IOE) to prepare a Synthesis Report on the experience gained so far with the use of the results-based country strategic opportunities programme (RB-COSOP). The main aim of such synthesis is to facilitate learning and use of evaluation findings and other available evidence by identifying and capturing accumulated knowledge on common themes and findings across a variety of situations. Synthesising existing evaluation material would allow evaluation evidence to be packaged and fed into the decision-making process when neither adequate time nor resources were available to undertake a full-fledged evaluation.
2. The RB-COSOP was introduced by IFAD in 2006, as one of the elements of the IFAD's Action Plan that was introduced following the 2005 Independent External Evaluation (IEE). The objective was to improve the effectiveness and overall performance of IFAD's engagement with partner countries, placing more emphasis on results and performance management and complying with the alignment and harmonization agenda emerging from the Paris Declaration.¹ Since then a total of 50 RB-COSOPs have been prepared. The current IFAD's Strategic Framework 2011-2015 viewed the RB-COSOP as an important tool to help it "achieve its strategic objectives".²

II. Objectives, scope and methodology

3. **Objectives.** As stated in the Concept Note prepared by IOE at the outset of the process, the objective of this Synthesis Report is to assess whether the new RB-COSOP has enabled IFAD to enhance the performance of its country programmes, and whether it is serving as an instrument for: i) improved country programme planning and delivery; ii) learning and accountability; and iii) strengthening synergies between lending and non-lending activities (policy dialogue, knowledge management, partnership building and grants).
4. **Scope.** The Synthesis Report covers the period since the approval by the Board of the 2006 RB-COSOP guidelines and will include: i) an assessment of the trends in RB-COSOPs as per IOE past evaluations and as per Programme Management Department's (PMD) self-assessments; ii) a review of selected 'new' RB-COSOPs and 'old' COSOPs³, their annual reviews, etc.; and iii) a review of corresponding country strategy documents of comparable institutions.
5. **Methodology.** The Synthesis Report draws upon a review of several documents (see Annex 2) and sources of information such as:
 - (i) All Country Programme Evaluations (CPEs) and Annual Reports on Results and Impact (ARRIs) prepared since 2007;
 - (ii) 12 RB-COSOPs and seven COSOPs⁴ from all five geographical regions;

¹ The **Paris Declaration on Aid Effectiveness** (March 2005) commits countries to a set of principles governing the delivery and effective use of aid based on five "Partnership Commitments", namely, (i) Ownership (Partner countries exercise effective leadership over their development policies and strategies and co-ordinate development actions); (ii) Alignment (Donors base their overall support on partner countries' national development strategies, institutions and procedures); (iii) Harmonisation (Donors' actions are more harmonised, transparent and collectively effective); (iv) Managing for Results (Managing resources and improving decision-making for results); and (v) Mutual Accountability (Donors and partners are accountable for development results). The **Accra Agenda for Action** (Sept. 2008) reiterated these principles and worked out a strategic action plan to realise them while recognising the need for South-South development cooperation. The **Busan Partnership Agreement** (Nov.-Dec. 2011) recognized that new actors, especially emerging countries, civil society, the private sector and other actors had entered the developmental aid space and welcomed their participation on the basis of common goals, shared principles and differential commitments. It also broadened the developmental agenda by drawing attention to the need to move "from effective aid to cooperation for effective development" and looking beyond "partnering for progress towards and beyond the MDGs".

² IFAD's Strategic Framework, 2011-2015. p. 35.

³ For the purposes of this Synthesis Report, all country strategies and country programmes approved before December 2006 will be referred to as COSOPs while those approved after will be referred to as RB-COSOPs.

⁴ The COSOPs of the following countries: Egypt (2), Kenya, Rwanda, Vietnam, Brazil and Yemen.

- (iii) Various IFAD management documents, including: the RB-COSOP Guidelines and Source Book; Quality Enhancement (QE) / Quality Assurance (QA) related documents; Operational Strategy and Policy Guidance Committee (OSC) Minutes of Meetings and Issues Papers; External/Internal Reviews; Verbatim Reports of IFAD's Executive Board;
 - (iv) COSOP/country programmes annual reviews, mid-term reports; Regional Portfolio Reviews and an analysis of Country Strategy instruments of comparable institutions;
 - (v) Country strategy documents of four other IFIs, namely the World Bank, African Development Bank (AfDB), Asian Development Bank (ADB) and Inter-American Development Bank (IDB);
 - (vi) Bilateral interviews with IFAD senior management, IOE and other IFAD staff, members of the Board, and interactions with Focus Group members (see Annex 3); and
 - (vii) Feedback received during the learning workshop held within IFAD on 8 November which included representatives from AfDB, ADB and IDB, as well as a former country director of the World Bank.
6. The Synthesis Report triangulates the findings emerging in the above documents and sources of information. Throughout the Report, an effort is made to support evaluative evidence with concrete examples, described in boxes and/or footnotes. As mentioned in paragraph 8, different sections of the Report will be supported by different evaluative evidence.
 7. The **limitations** of this Synthesis Report are the following: i) only five of the 50 RB-COSOPs approved so far have been evaluated by the IOE in the context of the CPEs⁵, recently completed in 2011-12. This is because CPEs are normally conducted towards the end of a COSOP period, to assess past results and provide building blocks for the new COSOP in the same country. This Synthesis Report therefore covers all five CPEs thus far conducted by IOE of results-based COSOPs; ii) country strategies have been fully rated by CPEs only from 2009, when IOE introduced its new methodology; iii) no Completion Reports of RB-COSOPs envisaged in the guidelines have been produced yet by the Management; and iv) no feedback from recipient Governments was collected, though this is to some extent covered in CPE reports by IOE. As a consequence of these limitations, this Synthesis Report aims to primarily serve as an opportunity for learning and knowledge sharing rather than merely as an instrument of accountability.
 8. **Structure.** Section III of the Synthesis Report will start with a brief historical overview of the evolution of IFAD's experience with country strategy. Based on the review of selected country strategy documents in four countries, Section IV will then make a comparison between COSOPs and RB-COSOPs. Subsequently, based on the review of CPEs, ARRI and country strategy documents, Section V will assess the trends of performance of: i) COSOPs and RB-COSOPs; ii) the lending portfolio; and iii) non-lending activities. Whenever possible, a comparison between the performance of RB-COSOPs vs. COSOPs will be made. Section VI will rely on the feedback obtained through interviews and management documents, and will focus on selected issues that may need to be addressed in order to further enhance the use and effectiveness of RB-COSOPs. Section VII will capture some of the relevant experience gained by other international financial institutions (IFIs), and Section VIII will draw conclusions and lessons learned.

⁵ Namely: Yemen, Mali, Kenya, Rwanda and Vietnam. It should be noted that the CPEs for Kenya, Rwanda, Vietnam and Yemen covered both a RB-COSOP and a COSOP and were used for comparative purposes. CPE Indonesia is being completed but its ratings have not been disclosed yet.

III. Evolution of IFAD's approach: from COSOP to RB-COSOP

9. IFAD's experience with country strategies was not immediate. During its first years of existence from 1978 to 1985, the Fund largely inherited project ideas from other agencies, limiting its role as a 'check-writing' institution. During the second decade (late 1980s and 1990s), IFAD became increasingly responsible for the design of the projects it financed. During this period, special programming missions were fielded in order to identify priority objectives for IFAD financing. Whenever needed, country-level project pipelines would be built on the basis of general identification missions. Until the mid-90s the entire focus remained on projects and country portfolios, under the responsibility of area managers called Project Controllers and later renamed Country Portfolio Managers.
10. The introduction of country strategy documents took place a few years later at the request of the Board when a few members expressed the view that rather than reviewing project proposals the Board should start reviewing country strategy documents, as practiced in other IFIs. Initially this review took place in selected countries only. IFAD Country Programmes became more structured only at the beginning of 2000, with the early COSOPs and Country Portfolio Managers being renamed Country Programme Managers (CPMs).
11. The COSOPs prepared prior to 2006 were largely viewed as internal documents meant for identifying investment opportunities and pipeline projects, rather than as a tool for strategic and dynamic management of IFAD-supported programmes. They were prepared with limited participation and inputs of in-country partners.
12. These COSOPs generally lacked focussed strategic objectives; had limited accountability mechanisms; had no coherent, defined strategy for achieving policy objectives⁶; did not define pathways for scaling up successful approaches; had inadequate institutional analysis and limited coverage of non-lending activities⁷, which were not given the required attention in terms of deliverables, work plans and allocation of resources.⁸
13. Not surprisingly, IOE's CPEs repeatedly pointed out that country strategies were often a compilation of individual investment operations not always coherently tied together,⁹ often too ambitious, with insufficient attention given to building synergies among projects and non-lending activities, and often developed without adequate participation by the partner country. Further, several CPEs identified a mismatch between performance at the project level in relation to the performance at country level. Finally, the relevance of the country strategy was not rated as high as that of IFAD-funded projects.
14. Following the IEE conducted in 2005,¹⁰ as well as the Paris Declaration (2005), both of which called for greater developmental aid effectiveness and the introduction of a results management framework, IFAD developed a new 'operating model', an important component of which was the RB-COSOP,¹¹ introduced in 2006.
15. The new RB-COSOP places emphasis on: alignment with national priorities; joint IFAD and country ownership; synergies between lending and non-lending instruments; results and performance management; learning and accountability;

⁶ "COSOPs sometimes set goals for policy dialogue, but these were either over ambitious (Brazil), unfocused (Sudan) or more commonly had no resources attached (Brazil and Ethiopia)", ARRI 2010.

⁷ "It is useful to clarify that older generation COSOPs had little coverage of non-lending activities", ARRI 2010, p. 47.

⁸ IFAD, ARRI/2010/p.47.

⁹ As an example, the 2005 CPE of Rwanda found that while the COSOPs of 1999 and 2002 were broadly relevant to government and IFAD policies, they were "inadequate for promoting a programme approach coherent with and complementary to the national priorities in the agricultural sector". Rwanda, CPE, 2012, p.19.

¹⁰ The IEE observed that many of the problems afflicting IFAD's engagements stem from "a lack of clear performance indicators and targets to monitor performance" (IEE of IFAD, IOE, p. 53, 2.90).

¹¹ Introduced in 2006.

partnership building and harmonisation; innovations and scaling up. It is expected that the RB-COSOP approach will result in a sharper focus on rural poverty with more effective targeting of the poorest in rural areas, enhanced quality and impact on the ground, greater sustainability, stronger relevance and higher efficiency of IFAD-supported projects and programmes, thus increasing IFAD's overall development effectiveness.¹²

16. Since the approval of the new guidelines, 50 RB-COSOPs have been approved with the following geographic distribution (see Table 1): West and Central Africa Division (WCA) 14, Asia and the Pacific Division (APR) 11, Latin America and the Caribbean Division (LAC) 9, East and Southern Africa Division (ESA) 8, and Near East, North Africa and Europe Division (NEN) 8. Twelve of them were preceded by a CPE before their formulation and five were assessed most recently by CPEs carried out and completed in 2010-11.

Table 1
List RB-COSOPs approved so far

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------|---|---|--|---|---|--------------------------------------|
| April | Honduras | Afghanistan | Haiti Pakistan* (CPE 2008) Sudan* (CPE 2009) | Azerbaijan Dominican Republic Nigeria* (CPE 2009) Sierra Leone | India* (CPE 2010) | Bangladesh Vietnam* (CPE 2012) |
| Sep | Burkina Faso Cameroon Mauritania Kenya ** (CPE 2011) Rwanda,*(CPE 2006); ** (CPE 2012) Tanzania Panama | Burundi Vietnam ** (CPE 2012) Brazil* (CPE 2008) | Chad Peru Philippines | Côte d'Ivoire | Benin China Lao Liberia Mozambique *(CPE 2010) Zambia | Egypt |
| Dec | Mali* (CPE 2007); ** (CPE 2011) Cambodia Bolivia Mexico Jordan Moldova Yemen ** (CPE 2011) | Ethiopia* (CPE 2009) Guatemala Guinea Indonesia Morocco* (CPE 2008) | Congo Malawi Syrian Arab Republic | Senegal | Congo | |
| Total | 15 | 9 | 9 | 6 | 8 | 3 |

* RB-COSOP preceded by CPE

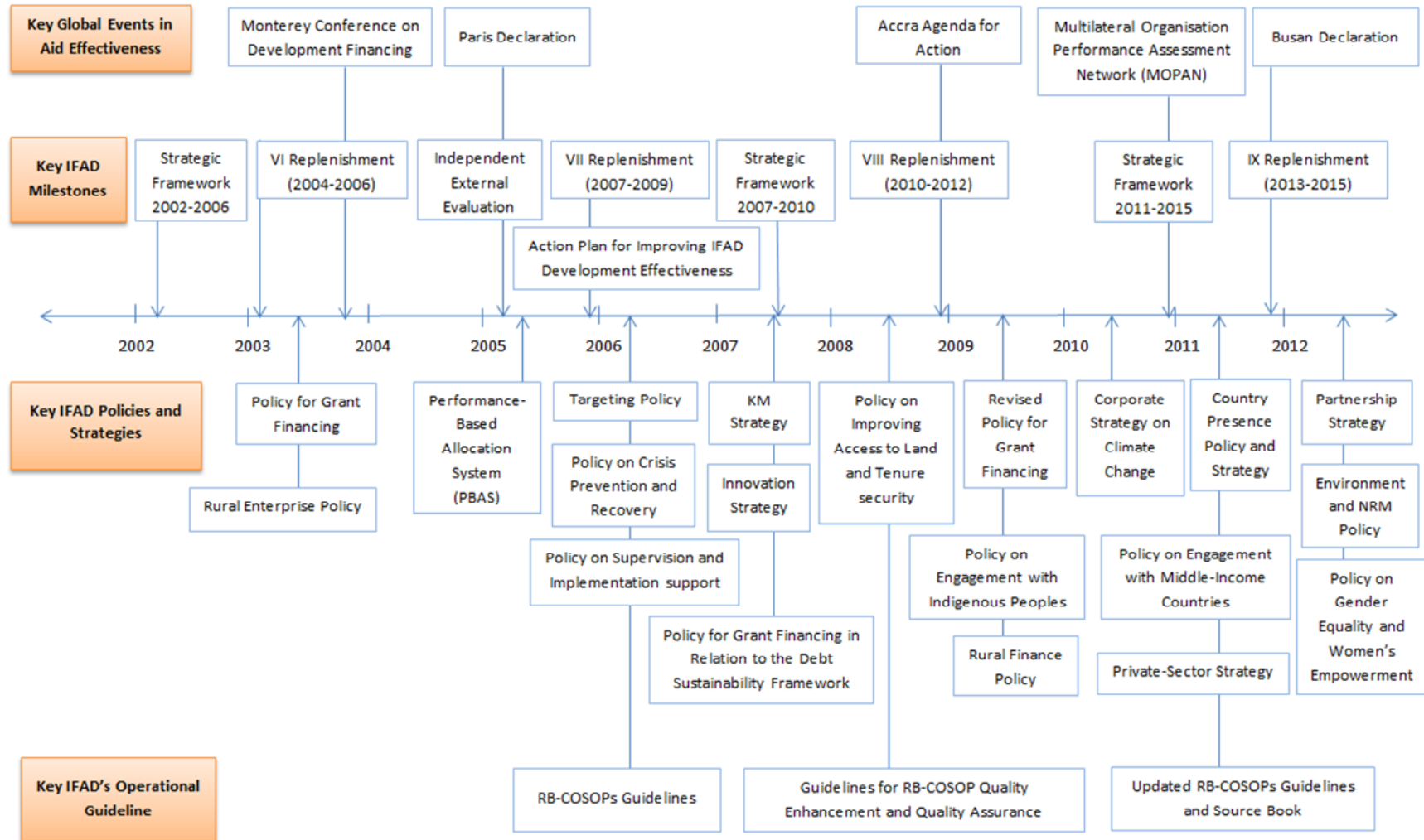
**RB-COSOP reviewed by CPE

| Total RB-COSOPs (by region) | Preceded by CPEs | Reviewed by CPEs |
|-----------------------------|------------------|------------------|
| APR: 11 | 3 | 1 |
| ESA: 8 | 3 | 2 |
| LAC: 9 | 1 | |
| NEN: 8 | 2 | 1 |
| WCA: 14 | 2 | 1 |

¹² The main new features of the RB-COSOP are as follows: i) joint ownership; ii) synergy between lending and non-lending investments; iii) results management; iv) accountability; v) baselines, indicators and quantification wherever possible; vi) annual reporting; vii) project pipeline; viii) and ix) arrangements for COSOP management.

17. It should be also noted that since 2006, following the recommendations of the IEE and the commitments made by IFAD on the occasion of the negotiations for the VII and VIII Replenishments, IFAD has embarked upon significant institutional changes with the approval of several new policies and strategies, many of which have implications for the formulation of RB-COSOP. Table 2 tries to capture these changes in a timeline. Among them, the 2005 Performance-Based Allocation System (PBAS), the 2007 Knowledge Management Strategy and Innovation Strategy, and the recently approved Partnership Development Strategy. Annex 7 provides a few examples of the implications that the approval of new strategies and policies have had in the context of the preparation of RB-COSOPs. As a consequence, the RB-COSOP Guidelines issued by IFAD Management in 2006 have been revised in 2011. Last but not least, the evolution towards RB-COSOPs should be looked at in the context of the two most important institutional reforms introduced in recent years, which have changed IFAD's operating model i.e., the 2006 Supervision and Implementation Support Policy and the 2011 Country Presence Policy and Strategy.

Table 2
Timeline of IFAD policies related to RB-COSOPs



9

Key points

- From 1978 to 1985, the Fund largely inherited project ideas limiting its role as a 'cheque-writing' institution. IFAD became increasingly responsible for the design of its own projects during the second decade. Until the mid-90s, the entire focus remained on projects and country portfolios. Country strategy documents were introduced a few years later with the early COSOPs and CPMs.
- The Results-Based Country Strategic Opportunities Paper (RB-COSOP) was introduced in 2006 because of many shortfalls in early COSOPs, such as identifying investment opportunities and pipeline projects rather than being a tool for strategic and dynamic management, lacking focussed strategic objectives, and having limited accountability mechanisms and limited coverage of non-lending activities.
- The new RB-COSOP places emphasis on alignment with national priorities, joint IFAD and country ownership, synergies between lending and non-lending instruments, results and performance management, learning and accountability, partnership building and harmonisation, innovations and scaling up.
- It is expected that the RB-COSOP approach will result in a sharper focus on rural poverty with more effective targeting of the poorest in rural areas, enhanced quality and impact on the ground, greater sustainability, stronger relevance and higher efficiency of IFAD-supported projects and programmes, thus increasing IFAD's overall development effectiveness.
- The last decade at IFAD was also marked by significant institutional and policy changes. The two most important institutional reforms introduced in recent years were the 2006 Supervision and Implementation Support Policy and the 2011 Country Presence Policy and Strategy.

IV. Comparison between COSOP and RB-COSOP

18. The 2011 Updated Guidelines include a useful table which summarizes the main differences introduced with the RB-COSOP on the basis of 14 parameters (see Annex 1). The Synthesis Report has made a comparative assessment on the basis of these parameters focusing its analysis on the four countries assessed recently by CPEs, namely Kenya, Rwanda, Vietnam and Yemen. These parameters also include some of the principles generated by the Paris Declaration (ownership, alignment with national poverty reduction strategy, managing for results), while the principles made by the Accra and Busan Declarations (partnership principle, recognition of the emerging new actors, private sector, South-South cooperation, the need to move from effective aid to effective development) have not been completely integrated. Finally, although the parameter of accountability is included, it seems that it is not fully in line with the meaning of the Paris principle of mutual accountability.
19. In general, the most significant and positive changes observed in the RB-COSOP relate to: i) the process of ownership built with in-country stakeholders, starting from the recipient Government; ii) the description of IFAD's comparative advantage in country; iii) the definition of the targeting strategy; iv) enhanced focus; v) inclusion of financing framework, based on PBAS allocations; vi) comprehensive description of all delivery instruments. Last but not least, an indication of the results framework accompanied by the arrangements for monitoring RB-COSOP's achievements. The following are some more in-depth considerations.
20. **Targeting group and targeting strategy.** Following the approval of IFAD's Policy on Targeting, more attention is given in RB-COSOPs to the description of vulnerable social groups and intended target groups. In particular, one of the key files requires the identification of target groups and poverty indicators. The targeting strategy should comprise both geographical and social considerations, together with targeting tools, to be developed further in the design of project interventions and

coping mechanisms. All four RB-COSOPs have provided a more detailed analysis compared to the previous COSOPs.¹³

21. **Enhanced focus.** All RB-COSOPs have made an attempt to reduce the number of strategic objectives. With the exception of Kenya, all previous COSOPs had a large number of 'strategic thrusts', not always aligned with the content of the investment portfolio. Hence, the difficulties to bring these thrusts into a realistic results framework. It is however observed that sometimes, the strategic objectives, although in a reduced number, are broadly defined and/or combine too many sub-objectives and end up, as in the case of the COSOPs as being too ambitious.

Box 1

Kenya: A comparison of the 2002 COSOP and the 2007 RB-COSOP

The Kenya COSOP of 2002 had only the broad goal of "rural poverty reduction and promotion of food security" which resulted in IFAD straying into areas which are not in IFAD's mandate nor where it has a comparative advantage, namely social infrastructure (i.e., health, water and sanitation). Only geographic targeting was done; 'social targeting' was not considered. There was a log frame but no Results Management Framework and no COSOP review mechanism.

The RB-COSOP of 2007, on the other hand, while building on the previous COSOP, focussed on IFAD's competencies. There were three specific strategic objectives all of which were bound by a common thread, namely "the intensification, diversification, commercialization and value addition of the production system"; there was also a systematic plan to realise these outcomes. It undertook both geographic and social poverty targeting. It had a Results Management Framework and was reviewed in three annual reviews (between 2008 and 2011) as well as in a mid-term review report (MTR) in 2009/2010.

22. **Results and accountability framework.** While COSOPs' expected results are presented using simple logical frameworks, RB-COSOPs make a special effort to provide Results Management Frameworks, including linkages between project-level and country programme-level indicators. Their analysis is dealt with in section VI of the Synthesis Report. RB-COSOP of Rwanda is a meaningful example. In addition, while COSOPs have not made any provisions for annual reporting, nor any MTR or completion reports, RB-COSOPs indicate a full set of monitoring instruments to track the progress on results framework indicators.

Box 2

Rwanda Results Framework in RB-COSOP

The Rwanda RB-COSOP 2007 was finalised over a two-year period after extensive consultations amongst various stakeholders. It had a clear targeting strategy that was aligned with each of the three strategic objectives, clear policy goals also aligned with achieving the strategic objectives, and was supported by a Results Management Framework that defined quantitative outcome targets for each of the strategic objectives together with a related policy support and dialogue agenda. Regarding country programme management, the same was not specifically indicated in the 2002 COSOP, whereas the RB-COSOP provided technical assistance, training for project staff, direct supervision and implementation support and strong anchoring of the project in public national and local institutions.¹⁴

¹³ Nevertheless, greater clarity is called for in regard to *selectivity* of the target group in view of IFAD's policy of seeking greater engagement with markets and the value chain as well as increased participation of the private sector. This clearly runs the risk of leaving out the "poorest of the poor", who, in fact, do not have the potential to favorably engage with markets of the value chain. Selection of the beneficiaries from among the target group as well as their *phasing in* over the project investment period is also an issue that needs to be further clarified (Source: Olivier Lafourcade, "Comments on Evaluation, 2 Nov. 2012).

¹⁴ Rwanda, CPE, 2012, pp.19-21, # 69, 72, 73 and Table 5.

23. **Operational details.** An important feature of RB-COSOP is the opportunity given to attach project concept notes so as to process at the same time their inclusion in the country project pipeline. The challenge remains as to whether to include the expected results in the RB-COSOP's results framework, in view of the limited information available.
24. **Complementarity of delivery instruments.** While COSOPs remain largely focused on the IFAD lending program, RB-COSOPs are requested to provide not only more comprehensive information about all the instruments made available by IFAD, but also to explain how they will be integrated and synergized in order to meet the strategic objectives. This is all the more important since an increasing number of countries are not looking at IFAD for its financial assistance only, but rather for its capacity to facilitate knowledge transfer of successful poverty reduction interventions.

Box 3

The RB-COSOP 2008 – Responding to Vietnam's growth aspirations

At the time of the RB-COSOP 2008 formulation, Vietnam had transformed itself from a poor struggling country to an emerging market economy with ambitions to achieve middle-income country status by 2010. Vietnam's need was not only financial assistance; it required knowledge and international experience of how other similarly placed countries had overcome their poverty. It looked to IFAD to provide this experience and facilitate knowledge transfer. IFAD responded by developing for the first time a knowledge management and communication strategy in the RB-COSOP 2008. It declared that "all future loan and grant projects will be designed to include a 'learning agenda' indicating what stakeholders expect to learn from the project, how they will capture what they learn, how they intend to communicate it and to whom." IFAD appointed a knowledge management officer and launched a country portfolio website in April 2010 to further meet this goal.

Source: Vietnam, RB-COSOP 2008, p. 12, # 43, and Vietnam, CPE 2012, p. 64.

25. **Impact of CPEs on RB-COSOPs.** Finally, RB-COSOPs need to respond to the conclusions and recommendations agreed by CPEs, whenever they took place. To this end an ACP, agreed and signed between IFAD management and the partner Government, is attached to the RB-COSOP and reviewed by the Executive Board. The ACP's recommendations are normally grouped into strategic and operational. It is an open question worth serious consideration whether, in addition to the Evaluation Committee, the Executive Board should discuss the full CPE report before the submission of the RB-COSOP for the same country. This would be consistent with the approach taken by the governing bodies to discuss corporate level evaluations, and allow the Board to have a more informed discussion on the new COSOP proposal, especially to assess whether past experiences and lessons have been adequately reflected in the new country strategy proposal. So far, only Rwanda and Mali have received two CPEs before and after the RB-COSOP. From this limited sample, it can be said that there is some evidence that CPE's recommendations have been taken on board and have made a positive contribution to the formulation of a relevant country strategy document.
26. The importance of a CPE done before a COSOP was highlighted in the case of Ghana. Although IFAD did not commission specific analytical preparatory work, the 1998 COSOP drew from the conclusions and recommendations of the 1996 CPE; the CPE of 2011 rated this COSOP as satisfactory. The 2006 COSOP (not an RB-COSOP), on the other hand, which was rated as moderately satisfactory, was assessed as lacking a strong analytical background. It did not have the opportunity to draw upon a CPE and was not supported by specific analysis to support key strategic changes proposed, namely, the shift towards a value chain development approach and doing away with geographic targeting.¹⁵

¹⁵ Ghana, CPE 2011 page 71, #217

Box 4

Rwanda: CPE 2006 RB-COSOP 2007 CPE 2012

From February until October 2005, IOE carried out a CPE (CPE 2006) for Rwanda, which took stock of the results and impact of the programme's operations in the ten years 1994 – 2004, and provided an input into the ongoing revision process of the Country Strategic Opportunities Paper (COSOP). In addition, Rwanda CPE 2012 confirmed the relevance of the Rwanda COSOP 2007, which was assessed as overall satisfactory (5), taking into account improvements since CPE 2006, a more participatory COSOP definition highly relevant to country rural poverty reduction needs (mainly from a field and community level perspective), as well as full alignment to the priority elements of government strategies. In line with CPE 2006 recommendations, the Rwanda COSOP also encourages the active participation of rural women in local planning and in the implementation of development activities.

Key points

- The Synthesis Report has made a comparative assessment of COSOPs and RB-COSOPs of Kenya, Rwanda, Vietnam and Yemen, which were assessed recently by CPEs.
- RB-COSOPs' most significant changes, among others, have been: i) the description of IFAD's comparative advantage in country; ii) the definition of the targeting strategy; iii) better alignment with national poverty reduction goals; iv) enhanced focus by reducing the number of strategic objectives; v) identification of synergy and complementarity of all delivery instruments, including lending and non-lending activities; vi) indication of a financing framework based on PBAS allocation; vii) inclusion of Results Management Framework to monitor RB-COSOP's achievements; viii) provisions for annual reporting and tracking progress.
- A question worth serious consideration is whether the Board at large should also have the opportunity to discuss full CPEs reports before they consider a new RB-COSOP in the same country. This would strengthen the Board's understanding of past lessons and experiences, and allow them to have a more informed discussion on the new country strategy proposal.

V. Findings from past evaluations**A. COSOPs and RB-COSOPs**

27. Country strategies are assessed by IOE in the context of CPEs in terms of their relevance, effectiveness and overall performance. The following Table 3 assesses the performance of 16 COSOPs based on CPE ratings.

Table 3

CPE ratings on country strategy documents (COSOPs and RB-COSOPs)*

| Evaluation Criteria | 2011-2012** (RB-COSOPs) | | | | | 2010-2011*** (COSOPs) | | | | | 2008-2009***(COSOPs) | | | | | |
|----------------------------------|-------------------------|----------|----------|----------|----------|-----------------------|----------|------------|----------|-----------|----------------------|----------|----------|----------|----------|----------|
| | Kenya | Vietnam | Rwanda | Mali | Yemen | Ghana | Niger | Mozambique | India | Argentina | Ethiopia | Sudan | Brazil | Morocco | Pakistan | Nigeria |
| Relevance | 4 | 5 | 5 | 4 | 4 | 4 | 4 | 5 | 5 | - | 4 | 4 | 3 | 5 | 4 | 4 |
| Effectiveness | 4 | 4 | 4 | 3 | 4 | 4 | 4 | 4 | 5 | - | - | - | - | - | - | - |
| Overall COSOP Performance | 4 | 5 | 5 | 4 | 4 | 4 | 4 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 3 | 4 |

NOTE: 1. (*) – Ratings compiled from information available in the CPEs.
 2. (**) – CPEs which have assessed RB-COSOPs.
 3. (***) – CPEs which have assessed COSOPs.
 4. Effectiveness criteria has been implemented since CPE 2010.

Relevance

28. COSOP relevance assesses the appropriateness of the selected strategic objectives and directions, their alignment with key IFAD and government policies, the internal coherence of the lending and non-lending instruments deployed, and the appropriateness of management provisions to achieve country strategy objectives.
29. According to 2010 ARRI, the main strategic objectives in the COSOPs were broadly consistent with key country priorities, as well as with IFAD regional and corporate strategies for rural poverty reduction. They generally focused on appropriate geographical areas, social groups and suitable subsector priorities and partner institutions. The COSOPs identified appropriate strategic objectives for rural poverty though there were some areas not addressed sufficiently systematically, such as engagement with the private sector, smallholder agriculture, indigenous peoples' issues and approaches towards scaling up.¹⁶

Box 5

Vietnam: supporting Government's decentralization efforts

In Vietnam, the CPE found geographical and social targeting progressively improving across the 3 COSOPs assessed (1996, 2003, 2008) finally settling on poor households and ethnic minorities living in upland areas. They also were in tune with the country's overall needs and thrusts as the time – the second COSOP focussed on decentralization and participation and the third, in keeping with Vietnam's rapid economic growth focussed on linking smallholders to markets and develop partnerships with the private sector. This also coincided with IFAD's adoption of a market-based approach to poverty reduction.

Source: Vietnam, CPE, 2012, pg. 72,# 263.

Box 6

Ghana: aligning policy objectives

Ghana presents an example of a growing convergence over time between IFAD's and Government's priorities as well the hazards of deviating from its (IFAD's) strategic policies. The objectives of COSOP 1998, while aligned with IFAD's mission to empower the poor, especially in northern Ghana, where extreme poverty continued to be pervasive, was at variance with Government policy of that time, which sought to accelerate economic growth by modernizing the agriculture sector and strengthening private-sector involvement, without explicitly targeting specific geographic pockets of poverty. The overall objectives of COSOP 2006 were fully aligned with this policy of the Government but, in the process, IFAD moved out of area-based geographic targeting. However, since 2008, the new Government has acknowledged the need for geographic targeting and is now addressing its regional poverty disparities by pursuing two initiatives focusing on the North, the area that IFAD originally identified as most in need of assistance.

Source: CPE, Ghana, pgs. 70-71, # 214-215:

30. Table 3 supports the above observations. Overall, 93 per cent of the CPEs rate COSOP relevance in the 'moderately satisfactory or better' range. There has also been a noticeable improvement when we compare the RB-COSOPs and the COSOPs. All the RB-COSOPs are rated as 'moderately satisfactory or better'. On the other hand, only 90 per cent of COSOPs have received this rating.
31. However, the ARRI 2011 observed that nearly all CPEs point out that non-lending activities (NLAs) are not integrated into the overall country programme well enough to achieve COSOP objectives. It argues that the results and learning from grants do not always reinforce IFAD-supported project activities, and partnerships are largely pursued opportunistically rather than led by strategic considerations.¹⁷ NLAs will be further discussed later on.

¹⁶ IFAD, ARRI, 2010, p. 55.

¹⁷ ARRI, 2011, pg. 46

Box 7

Yemen and Cambodia: convergence of priorities national, IFAD and COSOPs

In Yemen, IFAD's two latest projects, the EOP (Economic Opportunities Programme) and FIP (Fisheries Investment Project) are highly relevant to government priorities as they, (i) address three key priorities identified by the Government of Yemen in its latest five-year development plan;¹⁸ (ii) are in strong alignment with SO2 of the 2007 COSOP, namely "to promote sustainable rural financial services and pro-poor small and medium enterprises"; and (iii) are in line with IFAD's strategic framework which emphasizes market-oriented development and engagement with the private sector.

Cambodia's RB-COSOP aligns with (i) the Royal Government's overall Rectangular Strategy for Growth, Employment, Equity and Efficiency; (ii) the National Strategic Development Plan; (iii) the Cambodia Millennium Development Goals (CMDG); (iv) the Royal Government's Strategy for Agriculture and Water; and (v) the Strategic Framework for De-concentration and Decentralisation. In the Results Management Framework, the COSOP results are cross-referenced to the National Strategic Development Plan and CMDG targets.

Source: Yemen CPE, 2012, p. 68 and Cambodia, COSOP Annual Report, December, 2011, p.5.

COSOP effectiveness

32. COSOP effectiveness determines the extent to which the strategic objectives were or are likely to be achieved.
33. Overall COSOP effectiveness is well rated. Table 3 shows that overall, 89 per cent of the CPEs rate COSOP effectiveness as "moderately satisfactory or better". The data gaps in the table (this evaluation criteria being introduced only in 2009) preclude the possibility to assess whether the RB-COSOPs reflect an improvement over the previous COSOPs.

Box 8

Rwanda: achieving results

In the case of Rwanda, the CPE found significant increases in crop and livestock production and concludes that the overall objective of the COSOP, namely, reducing poverty and improving the quality of life, is likely to be achieved. However, in the case of rural finance, it assesses the effectiveness of the COSOPs (2002 as well as 2007) as unsatisfactory. Nonetheless, despite lack of adequate up-to-date national data and differing definitions of what constitutes a "vulnerable group", the CPE finds that major achievements are being realised through a number of local and national initiatives that seek to address the needs of different vulnerable groups and which have drawn upon the experiences of IFAD projects.

Source: Rwanda, CPE, 2012, pgs. 74-75, # 283, 285, 288.

Box 9

Kenya: renewable natural resources vs. rural financial services

The Kenya CPE found that the COSOP made a significant achieving in maintaining and regenerating renewable natural resources. The Mount Kenya project is a successful project whose key components are being scaled up by IFAD and the Government. The CPE also notes that while access to rural financial services has been considered as a key objective, IFAD has not devoted the required attention to this sub-sector. Overall though, the CPE rates COSOP effectiveness as moderately satisfactory.¹⁹

Source: Kenya, CPE, 2011, pgs. 55-56, # 213, 215 and 217.

¹⁸ The DPPR for the period 2006-2010 which aims (i) to create sustainable pro-poor investments aligned with the Government's poverty reduction and economic growth policies; (ii) to introduce a private sector-led approach to development operations; and (iii) to establish a public-private partnership to effectively, efficiently and transparently manage development resources and create synergies. (Yemen CPE, 2011, p. 68).

34. It is expected that with enhanced QA processes, direct supervision and implementation support, and an expanded country presence, portfolio management will improve, thus leading to better implementation performance and effectiveness. For example, the 2009 Annual Review of the Cambodia COSOP found that all projects, in trying to comply with all aspects of the COSOP, were bedevilled by multiple objectives and result indicators that made implementation difficult, diverted attention of implementing agencies from their core skills and competencies, and made coordination complicated, thus adversely affecting the effectiveness and efficiency of the responsible agencies.²⁰
35. The PMD is also paying more systematic attention to improving portfolio management by undertaking a methodical annual portfolio review process at the divisional and departmental level.

Overall COSOP performance

36. COSOP performance is a composite of the ratings for relevance and effectiveness.
37. It can be observed from Table 3 that there has been an improvement when we compare the RB-COSOPs and the COSOPs. All the RB-COSOPs are rated "moderately satisfactory or better", of which two (40 per cent) are rated as "satisfactory"; whereas 91 per cent of COSOPs are "moderately satisfactory or better", of which 18 per cent only are rated as "satisfactory". Nevertheless, the fact that only two of the RB-COSOPs have received a "satisfactory" rating means that there is still substantial scope for improvement.
38. All CPEs underline that both country presence and IFAD's direct supervision and implementation support activities are critical components of IFAD's operating model and key determinants in ensuring the achievement of COSOP objectives.
39. Other findings by CPEs indicate scope for improving the synergies between different instruments (loans and grants, including other non-lending activities); weak project and programme-level monitoring and evaluation (M&E); mixed effectiveness in the areas of rural finance and non-lending activities; and the need for more focused programmes, rather than spreading relatively limited resources over a variety of subsectors and/or large geographic areas in recipient countries.

B. Lending portfolio

Portfolio performance

40. The table below summarizes the Country Portfolio performance of 16 CPEs reviewed against various assessment criteria, such as project performance, impact on rural poverty, sustainability, innovation and scaling up, and overall portfolio performance. Annex 5 includes an explanation of the evaluation criteria followed by IOE.

²⁰ Cambodia Annual COSOP Review. (Sept. 2009, p. 24, Nos, 55-57).

Table 4

CPE Ratings on Portfolio Performance*

| Evaluation Criteria | 2011-2012** (RB-COSOPs) | | | | | 2010-2011*** (COSOPs) | | | | | 2008-2009*** (COSOPs) | | | | | |
|--------------------------------------|-------------------------|---------|--------|------|-------|-----------------------|-------|------------|-------|-----------|-----------------------|-------|--------|---------|----------|---------|
| | Kenya | Vietnam | Rwanda | Mali | Yemen | Ghana | Niger | Mozambique | India | Argentina | Ethiopia | Sudan | Brazil | Morocco | Pakistan | Nigeria |
| Project Performance | 4 | 5 | 5 | 4 | 4 | 4 | 3 | 4 | 5 | 3 | 5 | 4 | 4 | 5 | 4 | 4 |
| Relevance | 5 | 5 | 5 | 4 | 5 | 4 | 4 | 5 | 5 | 4 | 5 | 4 | 5 | 5 | 5 | 5 |
| Effectiveness | 4 | 4 | 5 | 4 | 4 | 4 | 3 | 4 | 5 | 3 | 5 | 4 | 4 | 5 | 4 | 4 |
| Efficiency | 3 | 5 | 5 | 3 | 3 | 3 | 3 | 4 | 4 | 3 | 3 ^{*1} | 3 | 4 | 5 | 4 | 4 |
| Rural Poverty Impact | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 5 | 4 | 5 | 4 | 5 | 5 | 4 | 4 |
| Sustainability | 4 | 4 | 4 | 3 | 4 | 4 | 3 | 3 | 4 | 4 | 4 ^{*1} | 3 | 4 | 4 | 3 | 4 |
| Innovation and Scaling Up | 4 | 5 | 4 | 4 | 4 | 4 | 5 | 4 | 5 | 4 | 3 | 4 | 4 | 4 | 4 | 5 |
| Overall Portfolio Performance | 4 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 5 | 3 | 5 | 4 | 4 | 4 | 4 | 4 |

NOTE: 1. (*) Ratings compiled from information available in the CPEs.

2. (**) CPEs that have assessed RB-COSOPs.

3. (***) The CPEs that have assessed COSOPs.

4. (*¹) Assessed by the author from available information as the CPE did not give one composite rating.

41. The above table 4 indicates that CPEs have noted an overall improvement in **project performance**²¹ over the years. In the case of the RB-COSOPs, 100 per cent of them have been rated as "moderately satisfactory or better", whereas 82 per cent of projects in the year 2008-2011 have been similarly rated. Of the RB-COSOPs, the proportion of projects rated "moderately satisfactory or better" are as follows for "relevance" (100 per cent),²² "effectiveness" (100 per cent)²³ and "efficiency" (40 per cent).²⁴ For the COSOPs, ratings are as follows for "relevance" (100 per cent), "effectiveness" (82 per cent) and "efficiency" (55 per cent).
42. In terms of **overall portfolio performance**, which also includes an assessment of rural poverty impact, sustainability, innovation and scaling up, 100 per cent of RB-COSOPs are rated "moderately satisfactory or better"; 91 per cent in the case of the COSOPs. There is nevertheless significant room for improvement as only 40 per cent of the RB-COSOPs projects are rated as "satisfactory"; 18 per cent of COSOPs are similarly rated.
43. According to ARRI, this improvement in performance is largely the result of IFAD's decision in December 2006 to undertake direct supervision of projects. There was greater technical support being provided to projects through grants and partnership with other developmental agencies, greater involvement of civil society

²¹ IFAD, ARRI, 2011, p. 17, defines **project performance** is a composite rating of relevance, effectiveness and efficiency.

²² IFAD, ARRI, 2011, p. 13, defines **relevance** in respect to (i) project objectives; (ii) the needs of the poor rural people; (iii) IFAD's corporate policies and strategies; (iv) the government's agriculture and rural development policies; (v) project design, design logic and strategy adopted; (vi) the appropriateness of financial allocations by project component; (vii) institutional partners selected; (viii) project management arrangements; and (ix) geographic and target group coverage.

²³ Ibid, p. 14, defines **effectiveness** in terms of the extent to which the development intervention's objectives were achieved or are expected to be achieved.

²⁴ Ibid, p.16, defines **efficiency** as a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results at different levels, including outputs and impacts.

and private sector actors (in recent years), and increased country presence of IFAD. **However, it can be argued that the enhanced emphasis in the RB-COSOPs on accountability** – measurable results, annual review, periodic reporting of portfolio and COSOP performance – **and enhanced ownership and engagement of partner country institutions has contributed to creating a culture of results-based management.** It is still too early to assess whether the projects included in the RB-COSOPs are implemented significantly better than earlier projects because these projects are still ongoing and have not yet been evaluated.

Box 10

Yemen: an example of satisfactory and unsatisfactory project performance

Yemen, the poorest country in the Middle East which is water starved, has as much as 84 per cent of its population in rural areas and the largest gender gap in the world.²⁵ The CPE (2011) which assessed 10 projects found that they had a high degree of relevance (5) because of their (a) close alignment with Yemen Government policy, the COSOPs and the identified needs of the rural poor; and (b) overall sound project design, including (in the later projects) full consultation and ownership of the process with communities. They were also consistent with IFAD's regional (NEN) strategy for the decade (2000-2009). The effectiveness of the portfolio was rated as moderately satisfactory (4) because projects have had positive results in strengthening community organizations, facilitating access to social services, enhancing agriculture productivity and promoting gender equality. The efficiency of the portfolio was rated moderately unsatisfactory (3) because the cost per beneficiary in IFAD community development projects was lower than government projects, while unit costs were slightly higher in IFAD infrastructure projects; substantial losses were incurred in credit related operations and approval and implementation delays that led to low disbursement of national counterpart funds.

Source: Yemen, CPE, 2012, pp. 29-30, 34, 38, 42 and 45.

Impact on rural poverty

44. As indicated in Table 3, there has been an improvement in poverty impact²⁶ being realised in rural areas over the years. While 100 per cent of country portfolios in both the RB-COSOP and COSOPs, have been rated as "moderately satisfactory or better", 60 per cent of the former and only 36 per cent of the latter have been rated as "satisfactory", thus leaving considerable room for improvement.

Box 11

Poverty Reduction in Vietnam

In Vietnam, the ACRDP²⁷ in Quang Binh helped decrease the proportion of poor households from 36 per cent to 21 per cent in the six years of project implementation. In Ha Tinh Province where the HRDP²⁸ was implemented, the poverty rate decreased from 52 per cent to 18 per cent from 1999 to 2004. A remarkable success of the IMPP²⁹ is that 60-80 per cent of its graduates secured employment within six months of receiving vocational training.

Source: Vietnam CPE 2012, p. 45-47.

²⁵ Only one in nine rural women can read and write (CPE, 2011, p. 18).

²⁶ The ARRI, 2011, p. 18, defines **impact** as the changes that have occurred or are expected to occur in the lives of poor rural people as a result of development interventions.

²⁷ Agricultural Resources Conservation and Development Project.

²⁸ Ha Tinh Rural Development Project.

²⁹ Improving Market Participation Programme in Ha Tinh and Tra Vinh Provinces.

Box 12

Roads and improved agricultural practices increase incomes and food security

In Rwanda, the construction and rehabilitation of feeder roads under PDRCIU³⁰ has provided access to markets, opened up new areas of cultivation and services, and significantly reduced transport costs by as much as 60 per cent. This has resulted in increased earnings and increased productivity.³¹ Similarly, the PDCRE³² has contributed to increasing the proportion of households having two meals a day from 59 to 74 per cent, and from 5 to 11 per cent for those having three meals. PAPSTA³³ has nearly doubled the productivity of cassava and sweet potatoes, both of which are major staple foods.

Source: Rwanda CPE 2012, p.45-46.

Sustainability

45. Sustainability³⁴ rating of projects has been also improving over time, in fact quite noticeably. In Table 3, 80 per cent of RB-COSOPs are rated as "moderately satisfactory or better" as compared to only 64 per cent in the case of the COSOPs; however, in neither instance was any project rated as "satisfactory" which means that more attention must be paid to sustainability of benefits.
46. This positive trend is aligned with past ARRI analysis. Of the Country Programs (CP) evaluated by IOE in 2002-2004, only 41 per cent received satisfactory-zone ratings for sustainability; whereas between 2008 and 2010, 67 per cent of the Country programmes evaluated received satisfactory-zone ratings. However, during this period (2008-2010), almost half of the Country programmes evaluated were rated only moderately satisfactory indicating room for further improvement in this regard.³⁵
47. Several factors contribute towards sustainability, such as whether (i) project objectives are realistic and tailored to the project context; (ii) exit strategies are part of project design; (iii) systematic efforts have been made to build ownership and institutional capacity; (iv) alignment with government policies and programmes exists; (v) community ownership and contributions have been mandatory; (vi) long-term institutional, technical and financial support for project created and grassroots organizations have been provided for; (vii) alignment of and links between project-created organizations have been established; (viii) appropriate technology has been adopted, and effective operations and maintenance arrangements made; (ix) access to markets, financial and other resources has been adequately established; and (x) an enabling institutional and policy framework exists.

Box 13

Sustainability depends on community empowerment and ownership

In Indonesia, operation and maintenance (O&M) for community infrastructure remains an issue in all IFAD-funded projects. In case of PIDRA,³⁶ institutional arrangements were still being made to set up maintenance funds even though the project has closed. READ³⁷ does not have a satisfactory arrangement for O&M. Wherever good arrangements for maintenance exist, it is due to the high degree of awareness and social empowerment of the beneficiaries (facilitated by non-governmental organizations/NGOs) who have acquired ownership of such activities. It is observed that where social mobilization has been undertaken by state extension officers, there is inadequate attention paid to O&M and weak arrangements exist.

Source: Indonesia, Draft CPE, 2012, p. 40, no. 135.

³⁰ Umutara Community Resource and Infrastructure Development Project.

³¹ Rwanda, CPE, 2012, p.41.

³² Smallholder Cash and Export Crops Development Project.

³³ Support Project for the Strategic Plan for the Transformation of Agriculture.

³⁴ IFAD, ARRI, 2011, p. 25, defines **sustainability** as a measure of the likely continuation of net benefits from a development intervention beyond the phase of external funding support.

³⁵ IFAD, ARRI, 2011, p.26.

³⁶ Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas.

³⁷ Rural Empowerment and Agricultural Development Programme in Central Sulawesi.

48. Judging from recent RB-COSOPs and project documents, it is clear that these lessons are being applied; indicators to track progress in some of these areas³⁸ are included in the Results Management Framework of COSOPs and project log frames, and are being periodically monitored. Increasingly, Programme Management Units (PMU) are embedded within viable institutions;³⁹ projects are aligning with local, regional or central government agencies to secure additional or continued funding post project; emphasis is given to promoting and building up viable and self-supporting grassroots organizations; scaling up through donor or government support in increasingly being pursued; and the private sector's involvement in agricultural and livelihoods development is now on the agenda.

Box 14

Inadequate skilled staff and frequent turnover jeopardize project sustainability

Most projects in Indonesia experience delays in mobilization of full-time staff because of a shortage of manpower prevailing in most of the ongoing IFAD project areas. As a result, a majority of staff recruited for key positions from the district agriculture *Dinas* of the district PMUs of SOLID⁴⁰ devote 60 per cent of their official time to the project and the remaining 40 per cent of the time is spent on district work. Furthermore, certain critical skills are not readily available at the sub-national levels, such as M&E and procurement. Another related problem is frequent turnover of staff at the PMUs and therefore lack of continuity, especially after particular staff have been trained.

Source: Indonesia, CPE, 2012, p.38, no. 131.

49. A word of caution is however needed: sustainability is not only an outcome of what and how a project is designed and implemented, but also of macro-economic, socio-economic and political factors, all of which are beyond the control of an IFAD country program.

Box 15

The KAMUMWE Water Project: doing it right for sustainability

KAMUMWE is part of the Central Kenya Dry Area Smallholder and Community Services Development Project and is an umbrella organization of three water users groups that ensures the common management of a main water intake and tank. Women play a substantial role in these groups.

Civil works started in 2004 and were completed in 2006, and the system was fully operational after two years. The communities mobilized funds and labour extraordinarily quickly they raised about KES 4 million, completed construction of the main tank within one year, laid 4.2 km of trenching in nine days, and did pipe-laying in 11 days. Today, the group is able to cover all operation and maintenance costs by adopting a meter system. However, they still need support in accounts maintenance and for calculation of water tariffs based on all costs, including depreciation.

Source: Kenya CPE, 2011, p. 34.

Innovations and scaling up⁴¹

50. Promoting pro-poor innovations in agriculture and rural development has been described as "mission critical" for IFAD, not only to increase efficiency but to ensure a wider impact on rural poverty.⁴² In Table 3, 100 per cent of projects in the RB-COSOPs and 91 per cent in the COSOPs are rated as "moderately satisfactory or better", whereas only 20 per cent of the former as compared to 27 per cent of the latter have been rated as "satisfactory", thus leaving considerable scope for improvement.

³⁸ Such as water, food and entitlements security, employment and market access, productivity gains, institutional and policy enablements, etc.

³⁹ Mostly governmental and quasi-governmental, but also, where necessary, non-governmental or private agencies.

⁴⁰ Smallholder Livelihood Development Project in Eastern Indonesia

⁴¹ IFAD, ARRI, 2011, p. 28, defines **innovation and up scaling** in terms of (i) the extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) scaled up by developmental agencies across sectors.

⁴² The ARRI, 2011, p. 28.

51. Nevertheless, as the 2011 ARRI observed, overall Country programmes have been paying greater attention to innovations and scaling up; satisfactory zone ratings have improved from 57 per cent of Country programmes in 2002-2004 to 90 per cent in 2008-2010, while also underlining that around 50 per cent of the Country programmes evaluated in 2008-2010 were only rated moderately satisfactory for innovation and scaling up.⁴³

Box 16

Brazil and Kenya: Innovations going to scale

In Brazil, the bottom -up approach, including a demand-led system to select investments as well as the low cost, simple, easy- to- absorb technologies developed by IFAD projects are now recognized as 'standards' and are being mainstreamed in development programmes of the federal and state governments in the North East (NE), as well as in the public discourse and policy. In particular, the PDHC (Dom Helder Camara Project) has made a major outreach effort and has become both a reference and an example for other projects and interventions in the NE. The PDHC became a reference for the design of territorial development policies by the MDA (Ministry of Agrarian Development) in 2003.

Similarly, the pioneering work related to river basin management and community involvement in promoting tree cover by the MKEPP (Mount Kenya East Pilot Project for Natural Resource Management Project) are other examples of innovations, key aspects of which are likely to be promoted by the government in the eastern region of the country.

Source: Brazil, COSOP AR, 2010, p. 6, no. (f); Kenya, CPE, 2011, p. 65.

52. IFAD has made innovation and scaling up an important 'principle of engagement'⁴⁴ and all RB-COSOPs are required to articulate more explicitly how scaling up will be pursued. The recently published guidelines on innovation offer a broad definition of what constitutes 'innovations'⁴⁵ and the Brookings Study⁴⁶ helps identify 'drivers', 'spaces' and 'pathways' that should make the task of scoping, identifying, developing and scaling up innovations easier and more realistic in terms of what is achievable. The recently completed RB-COSOP of Vietnam has outlined a very ambitious agenda in Appendix VI titled "Scaling up Strategy of Innovation" that addresses the 3 strategic objectives; includes 11 activities; articulates the desired scale (vision); indicates the drivers (who owns and will drive the process); identifies spaces for scaling up (financial, institutional, policy, political, etc.); and indicates the results pathways (the intermediate results and milestones).⁴⁷
53. However, it should be noted that only about 50 per cent of projects evaluated in 2008-2010 have been rated as moderately satisfactory for innovation and scaling up. Moreover, some CPEs noted a lack of a systematic or strategic approach to scaling up. **Where successful, it has largely been due to the individual efforts of the CPMs and country teams.** Moreover, significantly more attention has been paid to innovations as compared to scaling up, both in project design and implementation. **Scaling up is unlikely to happen without an explicit objective with a clear strategy and committed resources.** The Kenya CPE (2011) noted that while the 2007 RB-COSOP did have a useful section on innovations, it did not include priorities or expected results; nor were specific

⁴³ Ibid, p. 28.

⁴⁴ IFAD Strategic Framework 2011-2015, p. 41.

⁴⁵ Innovations cover a wide range: (i) technical innovations, such as in seeds, growing techniques, etc. ;(ii) process innovations, such as in mobilizing communities or pedagogical techniques for teaching farmers;(iii) delivery techniques, as in getting information or access to marginalized communities; (iv) institutions, as in creating alternatives to missing markets in supply of inputs, marketing, delivery and sale of outputs, access to technology; and (v) policies, as in assuring appropriate legal and regulatory frameworks for land ownership and use, for natural resource management, financial intermediation, etc.(IFAD, Revised Guidelines for RB-COSOP Preparation, 2011, p.123).

⁴⁶ The Brookings Institute, "Scaling Up the Fight Against Rural Poverty: An Institutional Review of IFAD's Approach", Working Paper 43, October 2010.

⁴⁷ Vietnam, RB-COSOP 2012, Appendix VI, pp. 41-45.

measures planned for or resources allocated for promoting innovations or ensure scaling up of successful innovations.⁴⁸

54. During the learning workshop a comment was made that innovations and scaling up require quite different approaches. Innovation entails taking risks, to be borne by the borrowing government; but scaling up requires proven technology across different contexts, an effective institutional mechanism and strong political and administrative will that can harmonize often conflicting interests. Therefore, consideration should be given not to lump together these two dimensions.
55. It has also been observed that the nature of innovations being promoted has changed over time. Greater emphasis is being given to piloting innovations in institutional arrangements for project implementation, social mobilization and promotion of people's participation, and much less on technologies that support smallholder agriculture. This bias will have to be corrected given the need to increase agricultural viability to meet income needs of the poor and overall food security in the context of an eroding asset and resource base.
56. At the same time, it should also be noted that scaling up of successful innovations also depends crucially on documentation, dissemination of best practices and knowledge acquired, strategic partnerships, engagement with policy makers and the commitment of the recipient government.

Box 17

Kenya: a successful inter-sectoral innovation going to scale up

In the PROFIT Program, an innovative partnership between the public, civil society and private sector has been forged. A tripartite agreement has been entered into between IFAD/GOK, an NGO called AGRA and a private financial agency called the Equity Bank. IFAD is contributing towards establishing a public/private sector partnership guarantee fund credit of US\$2.5M under the Kilimo Biashara Innovative Financing Instruments. It has attracted the attention of the World Bank which has recently decided to scale up the operations of the recent rural finance project by providing additional resources for the aforementioned credit guarantee scheme.

Source: Kenya CPE, 2011, p. 38, No. 143 and MTR of 2007 COSOP, p. 16. PROFIT refers to Programme for Outreach of Financial Innovations and Technologies.

C. Non-lending activities (NLAs)

57. Non-lending activities such as knowledge management, policy dialogue and partnership development are meant to be integral elements of IFAD country programmes. They are complementary to loan-funded projects and are expected to contribute to achieving the overall strategic objectives defined in a COSOP. Non-lending activities are important as they allow IFAD to learn from past activities, help identify and nurture strategic partnerships with other development actors, and enter into a dialogue with governments and key stakeholders to bring about key policy and institutional reforms pertaining to agriculture and rural development.
58. The COSOPs first addressed partnerships followed by policy dialogue, with little or no reference to knowledge management. On the other hand, the RB-COSOPs first addressed policy dialogue, reflecting its importance as a means for achieving wider impact, followed by partnerships and then knowledge management. Since knowledge management is an essential instrument to transfer IFAD's experience from project level to country level and is a pre-condition for effective policy dialogue and partnership building, consideration could be given to present NLAs regarding the right sequence i.e., placing knowledge management first.
59. A crosscutting issue raised several times by CPEs relates to the lack of human and budgetary allocation associated with NLAs. All these activities require resources and with few exceptions RB-COSOPs do not clarify from where these resources will

⁴⁸ Kenya CPE, 2011, p. 39.

come. The exceptions are generally the result of the availability of country or regional level grants: however these have their own timeframe and objectives, sometimes disconnected with those of the RB-COSOPs. It is also not clear whether meeting objectives related to non-lending activities are clearly part of IFAD staff's performance evaluation system.

60. Table 5 below summarizes the performance ratings of NLAs of 16 Country programmes in terms of policy dialogue, knowledge management and partnership building as well as their overall performance.

Table 5
CPE Ratings on Performance of Non-Lending Activities

| Evaluation Criteria | 2011-2012* (RB-COSOPs) | | | | | 2010-2011** (COSOPs) | | | | 2008-2009** (COSOPs) | | | | | | |
|-------------------------|------------------------|---------|--------|------|-------|----------------------|-------|------------|-------|----------------------|----------|-------|--------|---------|----------|---------|
| | Kenya | Vietnam | Rwanda | Mali | Yemen | Ghana | Niger | Mozambique | India | Argentina | Ethiopia | Sudan | Brazil | Morocco | Pakistan | Nigeria |
| Knowledge Management | 5 | 4 | 4 | 4 | 4 | 3 | 4 | 3 | 4 | 5 | 5 | 3 | 3 | - | 3 | 3 |
| Policy Dialogue | 3 | 4 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 6 | 5 | 3 | 2 | 4 | 2 | 4 |
| Partnerships Building | 4 | 4 | 4 | 5 | 4 | 4 | 5 | 4 | 3 | 4 | 4 | 3 | 3 | 3 | 4 | 4 |
| Overall NLA Performance | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 4 | 3 | 3 | - | 3 | 4 |

NOTE: 1. (*) The CPEs which have assessed RB-COSOPs
2. (**) The CPEs which have assessed COSOPs.

Knowledge management⁴⁹

61. Table 5 above indicates that knowledge management is showing an improving trend. Of the RB-COSOPs, 100 per cent are rated as "moderately satisfactory or better" as compared to only 40 per cent in the case of the COSOPs; however only one of the RB-COSOPs received a "satisfactory" rating, thus leaving much room for improvement.
62. As mentioned above, knowledge management is key to ensuring scaling up and achieving wider impact on rural poverty, as it forms the pre-condition for conducting an effective evidence-based policy dialogue and provides an important foundation for partnership building. Partner countries have repeatedly underscored IFAD's unique knowledge and competence in community-based poverty reduction in rural areas. Middle-income countries especially have been increasingly looking to learn from IFAD's experiences in other similar countries and regions.

Box 18

Purposeful knowledge: fostering enabling relationship for development in Brazil

Various steps focussed on the productive potential of the North East have been identified for technology and information dissemination involving partnerships and exchanges with institutions in the public, civil society, private and academic spaces, as well as the target group (farmers, rural youth, women groups, etc.). This includes setting up discussion and knowledge-sharing networks, and developing effective and efficient M&E systems. Of the five grants sanctioned during the COSOP 2008 period, four are directly related to knowledge and technology dissemination, which indicates the high importance given to knowledge management by IFAD.

Source: Brazil, RB-COSOP, pp. 13-14, Nos. 58-60; Annual Report of 2010, p.iii.

⁴⁹ IFAD, ARRI, 2011, p. 41: **knowledge management** is defined as "a measure of the extent to which knowledge from the IFAD-supported country programme (and from the agricultural and rural development programmes of other development partners) has been systematically and appropriately documented, packaged and shared with key partners in the country concerned and beyond". Generally in the RB-COSOPs, knowledge management is addressed after Policy Dialogue and Partnership Building; except in the recent Vietnam RB-COSOP where Knowledge Management is placed between Policy Dialogue and Partnership Building. This report takes the view that knowledge management forms the foundation for effective Policy Dialogue and Partnership Building.

63. A number of CPEs have found that despite numerous examples of successful innovations, demonstrated poverty reduction and extensive exposure to innovations in projects financed by other development partners, IFAD does not have a commensurate suite of knowledge products for dissemination, training and capacity building, and evidence-based policy advocacy. This is largely because IFAD does not allocate sufficient funds for this purpose, and the capacity of country offices project staff to document and disseminate experiences and lessons is still weak. Recent budgetary constraints are jeopardising IFAD's achievements in this regard with knowledge management personnel in some regions, being re-assigned and the post being eliminated.⁵⁰
64. Realising the importance of knowledge management, in the last few years IFAD has undertaken several initiatives in this area, such as promoting electronic networks for operational and thematic knowledge exchange at the corporate level (the poverty portal) and regional levels (such as ENRAP in Asia and the Pacific, FIDAMERICA in Latin America and the Caribbean, FIDAFRIQUE in West and Central Africa, IFADAfrica in East and Southern Africa and KARIANET in the Near East and North Africa, and in South Asia); capacity building of project and country office staff in knowledge management practices, approaches and tools; organizing knowledge events and fairs with other partner organizations; emphasizing a more rigorous annual portfolio review; appointing more officers in the various divisions devoting a large part of their time to knowledge management issues and recently establishing an Office of Strategy and Knowledge Management;⁵¹ and mandatorily including knowledge management personnel as part of in-country program management teams. These steps will further accelerate the process of knowledge capture, sharing and learning.

Policy dialogue⁵²

65. Table 5 indicates that only 40 per cent of the RB-COSOPs were rated as "moderately satisfactory or better" in policy dialogue as compared to 73 per cent in the case of the COSOPs; none of the RB-COSOPs received a "satisfactory" rating, whereas one of the COSOPs received a "satisfactory" rating and one, Argentina, received a "highly satisfactory" rating.
66. In any case, this trend is in line with the recent ARRI analysis showing that **policy dialogue continues to be a challenge for IFAD**. A recent Issues Paper⁵³ identified some of the constraints to more effective policy dialogue, such as:
- (i) IFAD's still relatively limited country presence (although increasing gradually);
 - (ii) The limited number of out-posted CPMs;
 - (iii) Country office staff is not able to engage with policy makers and/or lacks the necessary delegation of authority to speak on behalf of IFAD;
 - (iv) Heavy workload of CPMs and country offices that are primarily tasked with direct supervision and implementation support;
 - (v) The overly ambitious agenda for policy dialogue included in many COSOPs and RB-COSOPs; and
 - (vi) The unresolved common understanding of what constitutes PD for IFAD.

⁵⁰ ESA and APR have eliminated the positions of knowledge management and WCA has reduced it to half time.

⁵¹ ARRI, 2011, p.41.

⁵² **Policy dialogue** is defined as the extent to which IFAD and government have collaborated in policy processes and contributed to pro-poor policy development in agriculture and rural sectors (ARRI, 2011, p.40).

⁵³ IFAD Issues Paper on Policy Dialogue for the 2012 ARRI.

Box 19

National policy advocacy needs resources and sustained engagement

In Rwanda, IFAD was not able to contribute to the formulation of a policy framework for rural finance, even though this was included in the COSOP; worse still, it was not able to react when Government decreed the establishment of one SACCO (Savings and Credit Cooperative) per administrative unit (Umurenge), which led to the collapse of village-based savings and loan associations that had been piloted through an IFAD-funded grant and which IFAD had hoped to scale up.

Similarly, while the 2007 COSOP had committed to supporting the development of consultative mechanisms to bring government, private and civil society stakeholders together for policy definition and build up the advocacy capacity of civil society stakeholders an innovative and much felt need at the time IFAD was not able to do so, as no specific non-portfolio resources had been allocated for this purpose.

Source: Rwanda CPE, 2012, p. 61, No. 224.

67. Since IFAD has been increasingly looking to play a proactive role in national and global policy making fora, **IFAD can leverage its comparative advantage** widely recognized by partner countries, in community-based, smallholder poverty reduction interventions often located in backward and remote areas. By **staying focussed on project validated, evidence-based policy dialogue**, it can contribute to national policy framing by selectively participating in policy fora and partnering with agencies engaged in the national policy dialogue process. Moreover, IFAD could continuously strengthen the capacity of national actors, especially those involved in the implementation of IFAD-supported projects, such as local government agencies, NGOs, farmers' organizations and grassroots institutions. These matters, among others, will be covered in the forthcoming Corporate Level Evaluation on Policy Dialogue in 2013.

Partnership building⁵⁴

68. It can be observed from Table 5, that partnership building is showing an improving trend. Of the RB-COSOPs, 100 per cent of them are rated as "moderately satisfactory or better", as compared to 64 per cent in the case of the COSOPs.
69. On the whole, IFAD has been rather successful with regard to building **partnerships with governments, NGOs and civil society**. Governments generally appreciate IFAD's work and its focus on smallholder agriculture in rural areas. In Vietnam, by linking the Provincial Project Management Unit to the Provincial Peoples Committee, IFAD has forged partnerships with institutions crucial to ensuring effective project and programme implementation. However, in countries with a federal system of governance (e.g., Brazil, Argentina and India), partnership has tended to focus on state-level authorities for project design and implementation, and less so with federal agencies involved in agriculture and rural development who, in fact, are responsible for national policy formulation, monitoring, coordination and national reporting systems.⁵⁵
70. Partnerships with **multilateral and bilateral development organizations** as well as with donor agencies, have been more limited for a variety of reasons largely due to limitations in human, technical and financial resources, and government and developmental agencies' priorities. For instance in Vietnam, even though the World Bank and the ADB support nationwide programmes that complement some of IFAD's funded activities, the Government has rejected proposals for co-financing of each other's programmes on the grounds that it does not see any added value.⁵⁶ In Ethiopia, co-financing partnerships have declined in importance as several major development partners have adopted the budget-

⁵⁴ This is a measure of the strength of IFAD's partnership with government agencies, development organizations (including donors, NGOs and civil society organizations) and the private sector (ARRI, 2011, p. 42).

⁵⁵ ARRI, 2010, pg 51.

⁵⁶ Vietnam CPE, 2012, p. 66, No. 235.

support modality. Moreover, some of IFAD's traditional partners, such as AfDB and the World Bank, did not prioritise small grassroots-type agricultural and rural development interventions, IFADs' thrust areas during the period 1997-2007.⁵⁷

71. In spite of this, opportunities for partnership with MDBs need to be further explored, especially in light of IFAD's objective of scaling up impact as well as to build better synergies between IFAD operations and the activities of the MDBs. For instance, the joint evaluation by IFAD with AfDB on agriculture in Africa (2009) noted that IFAD and AfDB are natural partners and need to work more closely together in Africa. In particular, the evaluation recommended that IFAD should continue its focus on small agriculture activities, with the Bank supporting the development of infrastructure that is essential for rural poverty reduction in general.
72. **Partnership with the private sector** has received a strong fillip with the private-sector development policies in 2005 and 2011. Since then there have been some notable successes, such as the significant contributions made by the Tata Trusts to IFAD projects in Maharashtra and Rajasthan.⁵⁸ However, much work has still to be done as noted in a recent ARRI which found that (i) not much has been done to facilitate implementation of the strategy; (ii) adequate attention has not been given to the risks for poor people who cannot take advantage of the opportunities the private sector offers; and (iii) the definition of 'private sector' is too broad.⁵⁹

Box 20

Private sector engagement and new modalities of financing projects

In Yemen, two more recent projects of IFAD, the Economic Opportunities Programme (EOP) and the Fisheries Investment Project (FIP), have adopted a strong private-sector approach to implementation focusing on upgrading value chains; a public-private partnership for programme management; and new investment partnership modalities such as equity participation and venture capital financing.

Source: Yemen CPE, p. 52, No. 246.

73. Like in the case of policy dialogue, **RB-COSOPs need to be realistic about what can be achieved at the country level**, define areas where IFAD's contribution would be particularly relevant, and prioritise the events and platforms it should participate in as well as the institutions it would like to invest in relationship building.

⁵⁷ Ethiopia CPE, p. xxiii, No. 48.

⁵⁸ IFAD, ARRI 2010, p. 52.

⁵⁹ IFAD, ARRI, 2011, p. 49.

Key points

- The sample of completed CPEs covering the most recent RB-COSOPs is too small to draw statistically significant conclusions and to infer causality.
- **COSOPs and RB-COSOPs.** There has been a noticeable improvement in 'Relevance' criteria comparing the RB-COSOPs and COSOPs. On the other hand, 'Effectiveness' criteria was introduced only in 2009; this precludes the possibility of assessing whether the RB-COSOPs reflect an improvement over the previous COSOPs.
- **Lending portfolio.** According to **the** ARRI the overall improvement of portfolio performance is largely the result of IFAD's decision to undertake direct supervision, greater technical support being provided to projects, greater involvement of civil society and private sector actors (in recent years), and increased country presence of IFAD. Having said that, it can be argued that the enhanced emphasis in the RB-COSOPs on accountability, enhanced ownership and engagement of partner country institutions has contributed to creating a culture of results-based management.
- **Non-lending activities.** According to CPEs, rating on performance of knowledge management and partnership building has shown an improving trend in RB-COSOPs, whereas policy dialog is still a challenge for IFAD.
- A crosscutting issue raised several times by CPEs relates to the lack of human resources and budgetary allocation associated with NLAs.

VI. RB-COSOP: selected issues

74. The Synthesis Report interviewed a number of IFAD managers, CPMs and Board members. It also reviewed selected Verbatim of IFAD's Executive Board. The following are a number of selected issues raised with regard to the RB-COSOPs.

A. Ownership and formulation

75. Though perceptions vary, in general the importance and utility of RB-COSOP as a strategic document that helps guide IFAD's country engagement in line with national priorities is acknowledged. The RB-COSOP also promotes mutual accountability, since it is jointly developed by IFAD and the partner country, and the implementation and effectiveness depends not only on IFAD, but particularly on the commitment of the partner government, which in turn is directly linked to its sense of ownership.⁶⁰ IFAD has developed specific processes in order to foster an enhanced ownership of the RB-COSOP, such as the organization of the RB-COSOP Design Workshop, establishment of the Country Programme Management Team (CPMT), regular consultations with relevant stakeholders and partner organizations, in-country RB-COSOP Validation Workshops and Annual COSOP Review Workshops. All these activities are meant to take place in-country involving counterpart agencies and key stakeholders.
76. Yet, IOE has frequently observed that strategic objectives are overambitious and unrealistic. Given the series of consultative steps the COSOP formulation process entails, the question arises whether this is the result of lack of guidance from government, lack of interest on its part, or, which could likely be the case, the unintended outcome of the internal review process which influences the CPMs and CPMTs to over-reach in order to get past sanction and meet the perceived expectations of the IFAD Management and the Board.
77. **Since the new Guidelines for RB-COSOP formulation have been implemented, CPEs have noted a marked improvement in the sense of ownership exhibited by partner governments.** For instance in Brazil, extensive consultations with government and all key stakeholders were conducted followed by a stakeholders' workshop in which farmer organizations, experts, research institutes, universities and government agencies participated. All the working

⁶⁰ One Executive Board Director said: "The main thing I want to know is how much the Government is behind the RB-COSOP and how many resources is ready to commit to the achievement of its objectives".

papers were written in the local language and relevant documents were translated, thus creating a sense of inclusion and increasing ownership.

78. Similarly, in order to oversee implementation of the 2007 RB-COSOP of Yemen and improve project performance, the Prime Minister of Yemen appointed a committee comprised of government staff from related departments, a representative IFAD project director, a senior staff member from the Central Bank of Yemen and the IFAD CPM. A major decision taken by this committee to streamline loan disbursements (which had led to serious delays in project implementation and quality) was to reduce the number of signatories for withdrawal applications, thereby speeding up loan disbursement and project implementation.⁶¹

B. Timing, costs and delivery budget

79. The time to process an RB-COSOP ranges from 13 to 16 months (with Rwanda as an outlier at 35 months). The updated guidelines provide a detailed step-by-step guide from inception to the submission to IFAD's Executive Board. While such guidance is appreciated, there are serious concerns about the burdensome nature of the process and the unintended outcome of provoking a compliance culture. This issue is dealt with in more detail below.
80. Regarding a basic timeframe, RB-COSOPs are generally formulated over a five-year cycle;⁶² whereas the PBAS cycle has a three-year cycle. Ideally RB-COSOPs should have a definite allocation of resources in order to ensure that intended results can be achieved. Unfortunately a problem exists in that even if RB-COSOPs are extended to six years in order to cover two PBAS cycles the lack of synchronization and the uncertainty over future PBAS allocations would remain.
81. Moreover, while RB-COSOPs are supposed to align their objectives with national development plans, they are not formulated in conjunction with them. Further, it is expected a CPE should precede RB-COSOP formulation, at least in those countries where IFAD has a sizeable country programme. To date, only 12 CPEs⁶³ (24 per cent of the RB-COSOPs formulated since 2006) have been conducted, providing valuable inputs to the subsequent RB-COSOPs. This is due to the limited capacity and resources of IOE to conduct CPEs in all countries. In any case, the coverage differs substantially from region to region, ranging from 11 per cent in LAC to 36 per cent in APR, which is partly explained by the larger investments by IFAD in APR.
82. While it may not be possible to align the RB-COSOP and PBAS' cycles or even undertake a CPE prior to RB-COSOP formulation due institutional constraints, there is a case for aligning RB-COSOP formulation with preparation of national developmental plans. This would enable IFAD to provide key inputs to the government and also help establish useful relationships that could facilitate the implementation of IFAD country programmes. In this regard the experience of the Inter-American Development Bank can be taken as reference.
83. Several IFAD staff reported some uncertainties about when a RB-COSOP is expected to be undertaken. According to the 2011 revised guidelines, RB-COSOPs should be prepared for all countries except those with a 'minimal' PBAS allocation, or countries having less than three projects (ongoing and planned).⁶⁴ The revised guidelines stipulate that a COSOP must be done when IFAD is participating in a SWAP or with other donors, such as in the Comprehensive Africa Agriculture Development Programme (CAADP).⁶⁵ However, RB-COSOP have been processed in

⁶¹ Yemen CPE, p. 59, # 276.

⁶² The exception being in the case of 'fragile states' where a short-term 'transitional COSOP' is accepted.

⁶³ These are Kenya, Vietnam, Rwanda, Mali, Ghana and Yemen.

⁶⁴ IFAD, Revised Guidelines for RB-COSOP Preparation, 2011, p. 11, No. 39.

⁶⁵ Ibid, p. 9, No. 32.

the case of countries with only two operations in the pipeline but with a significant PBAS allocation (i.e., US\$20 million and above).⁶⁶

84. The area of discretion was eliminated by the recent instructions issued by PMD stating that "For countries in which at most one new operation is planned in the 9th Replenishment period, no new RB-COSOP will be required".⁶⁷ In view of the capping of total number of projects, and consequent increase in the average lending size in order to achieve administrative and financial efficiency gains in IFAD, if it is maintained that single project countries do not require a COSOP whatever the size of lending: the number of countries requiring COSOPs, therefore, will be substantially reduced. This decision merits reconsideration, as it might still be worth having a COSOP in countries with only one operation over a PBAS cycle. This is because the COSOP is not only intended as a vehicle for project investments, but as an instrument that provides the broader framework for all IFAD activities in a given country.
85. The funding allocated for the formulation of an RB-COSOP ranges, on average, from US\$25,000-\$60,000. It could be argued whether this allocation reflects a real commitment by IFAD on country strategies. Given the quantity and quality of analysis expected, this amount is considered far from adequate. Despite the Guidelines repeatedly stressing that primary research is not required, the experience is that RB-COSOPs often end up with a set of background studies. As a result of the recent budgetary cuts, some regional divisions (ESA and WCA, for instance) are limiting the number of RB-COSOPs they would otherwise have processed.⁶⁸ There is a clear mismatch between COSOP-related expectations and available resources that needs to be addressed.
86. As a final remark, RB-COSOPs do not provide an indication of the budget required for their delivery and the attainment of their strategic objectives. As mentioned above, this is all the more evident with regard to NLA activities. Ideally these resources should be indicated in the Results Management Framework as one of the conditions to meet the expected strategic objectives. Likewise at completion, it is important to review whether the required resources have indeed been made available.

C. Background studies

87. The 2011 ARRI reported that: "Efforts and investments in analytic work at the time of COSOP development and project design are still not consistent across the board. For example, changes in strategic objectives, subsector focus, and geographic coverage from one COSOP to another in the same country are often based on intuition and the appeal of new ideas to people, rather than informed by adequate analytic work, including analysis of institutions and context."⁶⁹ Furthermore, a more thorough analysis is needed of the institutional architecture at the country level. This would help identify key partner institutions and the capacity gaps that IFAD could help governments fill in order to improve their overall performance".⁷⁰
88. The impression is that CPMs are struggling, with limited resources, to respond to: the growing expectations of the IFAD management and Executive Board regarding the analytical depth of COSOPs, especially concerning institutional analysis; the questions raised during the QE process; and the fact that a number of CPEs have found that not enough analytic work has been undertaken in developing the COSOP. It is agreed that a considerable amount of analytical work is needed for an effective policy dialogue and scaling up pro-poor interventions. In this regard, the

⁶⁶ Ibid.

⁶⁷ IFAD/PMD, Medium-Term Plan for IFAD 9, para.30.

⁶⁸ WCA is planning to carry out only two new RB-COSOPs during the next three-year PBAS cycle (2013-15).

⁶⁹ This footnote is to illustrate this observation: IFAD, ARRI, 2010, p. 55 provides the examples of Morocco (deficiencies with regard to political, social and economic analysis) and Nigeria (deficiencies regarding agricultural and rural analysis).

⁷⁰ IFAD, ARRI 2011, p. 56.

formulation of the RB-COSOP is perceived as a unique opportunity to engage with Governments. At the same time, some Governments perceive IFAD as a too small player and consider the RB-COSOP as an "IFAD requirement". While IFAD managers interviewed underscored the need for conducting a Baseline Poverty Analysis in order to identify IFAD's target group; understand the nature, structure and causes of their poverty; and establish the baseline to measure impact, most felt that increasing demands were being made to provide deeper analysis pertaining to the poverty and institutional context. Given the rather meagre resources allocated for COSOP preparation, they were unable to provide such analysis.

89. This does indeed create a dilemma. Mindful of the slender financial allocations for COSOP preparation, the revised guidelines give clear and detailed guidance on how the baseline poverty analysis can be done using secondary sources that are already in the public domain or available to IFAD.⁷¹ This does not square with the rising expectations of IFAD's management and the IOE, and this mismatch of expectations with available resources will have to be addressed.
90. Furthermore, the guidelines recommend a background preparatory study called a Strategic Environmental Assessment (SEA) be done. Given that the RB-COSOP is not an investment document but a strategic one, and that the Agriculture and Baseline Poverty study contains a summary of environmental, Natural Resource Management (NRM) and climate change issues affecting the country in general and the target group in particular,⁷² this requirement needs to be revisited and possibly dropped
91. The need for doing preparatory background studies as a general practice also needs to be reconsidered. It could be strictly limited to situations where information on a particular issue of high relevance is not available. Since IFAD is under-resourced in this area, it needs to be very selective in choosing such areas of policy dialogue and establish appropriate criteria for such selectivity.

D. Review process

92. In 2008, IFAD issued detailed QE/QA guidelines which give step-by-step details on the 10 processing stages that a draft COSOPs must go through. While most CPMs have found the guidelines useful, the review process has proven cumbersome and time-consuming; it has not facilitated an effective dialogue with recipient governments, has probably led to overambitious strategic objectives being formulated and quite often has not provided significant value added.⁷³ In particular, it was felt that the Management Assessment Template (MAT) was a repetitive exercise as it covered information already mentioned in the RB-COSOP. It was proposed that the MAT should be retained as a checklist for the CPMs and consultants preparing the RB-COSOP but not as a mandatory requirement for QE purposes.⁷⁴
93. Some feedback focused on the effectiveness of the external review. Before submission to the OSC, RB-COSOPs were regularly sent to external reviewers from the World Bank and the Food and Agriculture Organization of the United Nations (FAO). While this could be considered as a model of institutional collaboration, some CPMs pointed out its occasional deficiencies. In some cases, the requests for additional information or analysis were not found really relevant for the purpose of COSOP formulation. CPMs were nevertheless obliged to spend considerable time responding to the issues raised, sometimes repeatedly in back-and-forth exchanges. The underlying grievance was that greater importance was given to the

⁷¹ IFAD, Revised Guidelines for RB-COSOP Preparation, 2011, p. 53 ff.

⁷² Ibid, p. 8.

⁷³ The Director of one of the regional divisions recommended "Get rid of the external review since it is primarily an arrangement between the government and IFAD. And having a clever review doesn't help if what is recommended is not bought by the government!".

⁷⁴ The MAT was recently discontinued in the QE process of project formulation.

views of the external reviewers rather than to those of the CPM accountable for the entire RB-COSOP process.

94. Needless to say, an external review can be justified only if it takes place at the right time and can bring valuable insights, alternative perspectives, cautions and cues that could enhance effectiveness, minimise risks, and provide better appreciation of the context and implications of the initial understandings arrived at.
95. In this regard, it was suggested that any review that might lead to changes to be reported to the government and key stakeholders involved in the RB-COSOP formulation should be brought forward in the review process, to avoid diplomatic tangles and contradict the ownership principles. Related to this, it was also proposed that a government representative could be invited to participate, either in person or through video-link, in the OSC meeting in order to confirm the government's commitment and ownership.
96. With regard to the role of the IFAD's Executive Board in endorsing the RB-COSOP, some of its members expressed satisfaction with the current arrangements. Priority should be given to ascertain the degree of commitment from the partner government in supporting the implementation of the RB-COSOP with appropriate resources, both in terms of counterpart funding and qualified management resources.
97. Finally, in order to enhance the institutional efficiency of the review process, consideration should be given to the approval by the Executive Board of new projects within the COSOP, at least for those to be funded under the first PBAS cycle.

Box 21

External review – An unhelpful experience

A case in point was the external review done by the World Bank in the case of the Vietnam COSOP, 2012, which argued against IFAD getting into climate change mitigation and also questioned assertions made regarding "the increasing frequency and severity of natural climate hazards" on the grounds that "there is no evidence of this".⁷⁵ As expected, and rightly so, the CPM rejected this suggestion and maintained the interventions proposed in the COSOP. A supporting view came in from the representative of Denmark⁷⁶ who said, "We feel it is key that IFAD continues to support national coordination, structures and monitoring in climate change, given exactly the complexity of the area and the number of actors already working there." In fact, climate change adaptation and mitigation was also part of IFAD's strategic objectives as well as a thematic area of focus.⁷⁷ The issue here was not a contrary view expressed by the reviewer, but the stress caused and the time taken by an already under-resourced CPM to respond to such views, which in this case could hardly be said to be adding value. Similarly, the China external review, except for a critique of some elements of the Results Management Framework (by the FAO), did not provide any significant insights, comments or observations that were not already covered by the internal reviews.⁷⁸ In the case of Bangladesh, the CPM, APR did not accept the external reviewer's recommendation (FAO) regarding microfinance arguing that "we have proof that the self-help model does not work".⁷⁹

Source: Multiple – see in the box for references.

⁷⁵ World Bank Review of the Vietnam COSOP, 2012, p. 2 and footnote on p. 2.

⁷⁶ From the Executive Board Verbatim Discussions of the COSOP, 105 Session, April 2012, p.3.

⁷⁷ IFAD Strategic Framework, p. 44.

⁷⁸ Refer to Memo from CPM (China) dated 23.9.12 to the Associate Vice President, PMD, regarding the "Conclusion of Review Process for the P. R. China COSOP".

⁷⁹ Refer to Memo from CPM, (Bangladesh) dated 26.1.12 to the Associate Vice President, PMD, regarding the "Submission of the draft COSOP to the Executive Board, April, 2012", p.2.

Box 22

External review – A helpful experience

On the other hand, the external review (FAO) of the Nigeria RB-COSOP (2010) pointed to an important driver of social conflicts in that country, namely, religion, which was overlooked in the COSOP, and had important social and economic implications (for example, regarding gender issues, the impact of gender specific activities and access of women to productive assets). The reviewers urged IFAD to examine whether and to what extent, if any, the religious aspect created particular challenges to the IFAD country programme.⁸⁰

Source: Review of the IFAD COSOP Nigeria by FAO-TCIA, 5 February 2010, pt. No. 5, p. 1.

E. RB-COSOP monitoring

98. RB-COSOP monitoring is done principally through four instruments: i) the RB-COSOP Annual Implementation Progress Report, referred to as the Annual Report; ii) the Client Feedback Survey;⁸¹ iii) the COSOP MTR; and iv) the COSOP Completion Report.
99. At present, only 50% of the RB-COSOPs are reviewed annually. The main concern raised by several CPMs is that these activities have no budgetary allocation. Some CPMs therefore are financing the annual reviews through the budget allocated for supervision and implementation support and undertake country program reviews instead of individual project supervisions. Others are combining the in-country reviews of the Annual Report with the existing annual Country Portfolio Implementation Reviews which are normally attended by all key stakeholders at project and government levels.⁸²

Box 23

Thematic annual reviews improve Kenya COSOP performance

Besides reviewing overall project performance, each of the three ARs conducted have focussed on specific themes. The AR of 2010 dwelt on M& E systems. The AR of 2011, which was preceded by a client survey, focussed on team building of the CPMT, which was poorly defined and its functions unclear. It consisted of 10 ministries involved in different projects, each having different steering committees; the end result was that expected outputs were not delivered. The participants in this review declared indeed that a "team was born". The AR of 2012 reviewed developments in team culture and performance following the event in 2011 and found that it had resulted in better team and project performance and clarity on the roles of CPMT members with regard to the design of the new COSOP (2012-2017).

100. Another issue raised was that although the RB-COSOP is supposed to be a 'living document'⁸³, there is only one known case where changes have taken place (Sudan). The expectation of having the RB-COSOP adjusted regularly through Annual Reviews is also worth revisiting, especially in view of current budgetary constraints. Rather, the RB-COSOP MTR should be given a greater role and significance in assessing the progress being made, adjusting if needed the Results Management Framework and making the COSOP a real living document.
101. Finally, while Completion Reports of RB-COSOPs have not been produced so far, IOE will also need to get prepared to introduce the validation of COSOP completion

⁸⁰ Review of the IFAD COSOP Nigeria by FAO-TCIA, 5 February 2010, pt. no. 5, p. 1. The final COSOP submitted to the Executive Board did not take this recommendation on board and made no reference to the role of religion in "social conflicts" referred to in the text.

⁸¹ This is a web-based survey form where stakeholders, key country clients and partners are invited to provide anonymous feedback on IFAD's country programme performance.

⁸² According to the COSOP management unit in the SKM, the review of the AR would require the extension of the Annual Country Portfolio Review by half a day at most, based on the filling out of a one-page Results Management Framework to be attached to the Project Status Reports (PSRs) and Country Programme Issues Sheets (CPIS) that are already being produced.

⁸³ Which reflects the changes in the political, social and economic conditions of the partner country and thereby facilitates fine-tuning and even new strategic directions, if warranted.

reviews (CCRs), similar to the PCRV (Project Completion Report Validation). The validation of CCRs by IOE will further expand the data for the ARRI as well as serve to identify systemic issues for improving the quality of CCRs in the future. It is therefore important that the management define an approach and timeline for the preparation of CCRs starting in 2013.

Box 24

Sudan The RB-COSOP as a 'living document'

The first annual review (AR) of the RB-COSOP, which took place in December 2010, led to the results framework of the RB-COSOP (2009) being revised to bring about consistency with the strategic objectives, and with the outputs and outcomes from the projects.

Source: MTR of the Republic of Sudan, 2010, p. 1, no. 16.

F. Results management framework

102. A key distinguishing feature of the RB-COSOP is the inclusion of a Results Management Framework with the objective of providing a tool for tracking the performance and impact of IFAD's contribution and promoting accountability.
103. While reporting of results and outcomes has improved over the years, ARRI reports have highlighted significant remaining challenges, such as:
 - (i) Choosing appropriate indicators that capture outcomes and impacts;
 - (ii) Linking project goals and outcomes with country-level strategic goals and outcomes;
 - (iii) Determining realistic goals and expected outcomes, which are often overly ambitious;
 - (iv) Lack of dedicated composite indicators and targets that measure government's performance, which is a critical determinant of effectiveness;⁸⁴
 - (v) Rural poverty impact is not reported in line with the categories used by the IOE (e.g., food security and agriculture productivity, etc.), which would allow better appreciation of how operations are affecting key corporate priority areas;⁸⁵
 - (vi) Addressing M&E deficiencies, both within IFAD's own project portfolio and at the country program level. Well-functioning M&E systems at both levels can allow IFAD to fine-tune COSOPs throughout their duration, as needed, based on results and lessons learnt.⁸⁶

Box 25

Cambodia M&E in need of improvement

In Cambodia, the AR found that reporting was largely on outputs delivered rather than on outcomes, and attributed this deficiency to the project M&E systems not being able to capture all the benefits as expected.

Source: Cambodia Annual COSOP Review (Sept. 2009), p. 9, No. 24.

- (vii) Resolving the recurrent debate of attribution versus contribution. Since IFAD does not operate alone, it is extremely difficult to establish causal linkages for given outcomes and impacts arising from IFAD's operations only. This issue is all the more relevant now that IFAD is committed to reaching out to 90 million poor during the IX Replenishment, 2013 – 2015. There is a compelling case that IFAD move from "attribution" to "contribution" towards reaching national priorities and goals

⁸⁴ IFAD, ARRI, 2010, p. 69.

⁸⁵ Ibid.

⁸⁶ IFAD, ARRI 2011, p. 45.

104. **Despite all past IFAD efforts, M&E systems at the project and country levels, and their integration with national M&E systems, continue to be a challenge.** Needless to say, effective M&E systems are essential for results-based management. Although several development agencies are struggling with the same issues, with greater international attention being paid to rigorous assessment, focussed efforts will have to be made to systematically report on results at both the project and country programme levels.⁸⁷

Box 26

Indonesia – M&E needs to go beyond data collation for reporting purposes!

An IOE evaluation found that at the project level in Indonesia, the M&E system is generally weak and restricts itself to measuring physical and financial progress only. Across the portfolio, there is a lack of a systematic and rigorous approach to impact measurement. M&E is being used as an instrument to fulfill the requirement of producing monthly, biannual and annual reports for both the government and IFAD. Data collected is sent up to the provincial and national levels for compilation to produce the reports; no analysis of the data is done at the project level and thus an important learning occasion is lost. In some instances, the M&E systems are overdesigned, too complicated and therefore under-implemented. Overall, there is little evidence of planning for strategic M&E and achieving better alignment with the IFAD Results and Impact Management System (RIMS).

Source: Indonesia, Draft CPE 2012, p. 55, No. 195.

105. There is a need to begin a process of dialogue with governments in concert with other development organizations to arrive at an essentially minimal M&E system that is coherent, integrated and implementable across all developmental projects, and which feeds into the national data and information systems and also complies with IFAD's requirements. This is no easy task because it is not just a question of data management, but also the harmonisation of the policies and administrative procedures adopted by national governments and IFAD concerning the implementation, management and accountability structures of projects and programmes.

Box 27

Madagascar and Rwanda show the way – Operationalizing the Results Management Framework

Madagascar has been successful in implementing a management and monitoring system at the COSOP level. The cornerstone of this system has the establishment of clearer linkages between project-level indicators and COSOP objectives that allows for reporting progress against COSOP objectives. Furthermore, IFAD and the government have created a coordination unit (CAPFIDA) for IFAD-funded projects within the Ministry of Agriculture, which has specific teams handling 'higher plane' tasks such as policy dialogue, knowledge management, partnership and COSOP review. This achievement has been made possible due to dedicated resources from IFAD loans, as well as political will on the part of the government.

Rwanda has sought to retro-fit all on-going projects against the COSOP Milestone Indicators wherever possible and has devised a "traffic light" rating system which assess the likelihood or otherwise of the projects realising their annual targeted results. A red color rating done by the PCUs themselves would indicate "unlikely"; yellow would indicate a "lag" and green would indicate "on track".

Source: Madagascar: Fabrizio Felloni, Back To Office Report, 1st October 2012, No. 10.

Rwanda: Claus Reiner, presentation made during Learning Event at IFAD on 8.11.12

⁸⁷ IFAD, ARRI, 2011, p. 57, nos. 8 and 9.

Key points

- **Ownership and formulation.** RB-COSOPs are jointly developed by IFAD and the partner country. The difference is made by the commitment of the partner government, which in turn is directly linked to its sense of ownership. Whenever the RB-COSOPs include unrealistic objectives, the question arises whether the partnership is effective.
- **Timing, costs and delivery budget.** The RB-COSOP formulation is lengthy between one and two years while its budget ranges from 25,000 to 60,000 USD. There is a mismatch between the RB-COSOP cycle, the PBAS cycles and the national development plan cycle. RB-COSOPs do not provide an indication of the budget required for their delivery and the attainment of their strategic objectives.
- **Background studies.** Given the meagre budgetary resources, the formulation of a RB-COSOP is unable to meet the expectations for a comprehensive analytical work. This creates a dilemma. Background studies could be strictly limited to situations where information on a particular issue of high relevance is not available.
- **Review process.** IFAD management issued detailed RB-COSOP and QE/QA guidelines which give step-by-step details on the 10 processing stages. While useful, they may promote a compliance culture. Most CPMs perceived the review process as cumbersome and time-consuming, not facilitating an effective dialogue with recipient governments and quite often not providing significant value added. Further, the late review process may lead to diplomatic tangles with the government, which contradicts ownership principles.
- **RB-COSOP monitoring.** Several CPMs expressed concern about the lack of budgetary allocation for RB-COSOP monitoring through annual reviews. The MTR of the RB-COSOP should be given a greater role in assessing the progress being made. With few exceptions, the concept of the RB-COSOP as a 'living document' is not yet operational. Completion reports of RB-COSOPs have not been produced so far.
- **Results management framework.** While reporting of results and outcomes has improved over the years, significant challenges do remain such as choosing appropriate indicators, linking project objectives to country and corporate-level objectives, and establishing causal linkages for given outcomes and impacts arising from IFAD's operations. The weakness of M&E systems at the project level, as well as at the country programme level, continue to pose a challenge.

VII. Country strategies practices by other IFIs

106. All financing institutions submit their country strategy documents⁸⁸ to their Executive Board for endorsement. Country Strategies are not formally approved as they reflect a bilateral agreement between the IFI and the recipient country. Generally they cover a five-year period. Like IFAD, all other International Financing Institutions have evolved their country strategy processes over the years. The main driver of this evolution can be identified in the intention to incorporate the principles of ownership included in the Paris Declaration and in particular the principle of measuring results.⁸⁹ The following are selected elements of analysis of the process and content of Country strategies in other IFIs.
107. **Measuring results.** All IFIs are now aligned with the inclusion in their Country strategies of a Results Management Framework. Draft Country strategies are the subject of internal review before submission to the Executive Board and subsequently are monitored during the annual Country Strategy reviews. This alignment, however, is not problem-free. IFIs are subject to common challenges: i) how to capture results that have backward/forward linkages with project/corporate results; ii) how to capture relevant indicators and targets for investments not yet approved; iii) how to align results associated with IFIs' strategic frameworks and

⁸⁸ World Bank –CAS; ADB – Country Partnership Strategy (CPS); AfDB – Country Strategy Paper (CSP); IADB .

⁸⁹ Paris Declaration principles: ownership; alignment; harmonization; measuring results; mutual accountability. Accra Declaration principles: predictability; country systems; conditionality; untying of aid.

governments' development plans; and iv) how to adjust results along the COUNTRY STRATEGY period. Regarding the latter, ADB acknowledges that "results-based COUNTRY STRATEGY are only useful if they are supported by regular monitoring, updating of indicators and adjustment of future operational strategies". While this principle is clear, its implementation has to be better defined.

108. **Multi-sectoral approach and different financial instruments.** Compared to IFAD, the most obvious difference lies in the multi-sectoral dimension of other IFIs. This element adds complexity to the preparation of country strategies whereby each regional department responsible for the country concerned works together with several sector departments. At times, this collaboration ends up with a competing quest about which sector should be given priority. Also, there can be conflicting dynamics between corporate-level sectoral targets and country-level national plan objectives. The mediation of this process takes place during the internal review. However the concern is to prevent a situation where preliminary agreements made with the concerned government are rejected during the review process.
109. **Implementation of Paris Declaration on Aid Effectiveness.** As mentioned previously, all Country strategies also refer to Paris Declaration principles. In practice, the degree of adherence to these principles vary. AfDB acknowledges that the approach followed varies between countries eligible for concessional aid (ADF countries) and those that are not. In the latter case, recipient governments have much more say in deciding where to invest AfDB's resources and, accordingly, the country strategy papers (CSP) have much more flexibility.⁹⁰ Also ADB acknowledge that while safeguarding the principle of government's ownership, "we lead the process". Common to all, there is a genuine attempt to follow an open process of consultation with many more stakeholders than in the past.
110. **Role of IFI staff.** Another common feature among all other IFIs is the full involvement of their staff in the entire process, while the use of external consultants is considered an exception. This is possible because of the availability of specialized sector staff and because of the need to ensure full institutional ownership of and priority for this process.
111. **Involvement of country offices.** COUNTRY STRATEGY preparation has been decentralized in most IFIs reviewed. The country office normally drive the process, under the overall guidance of regional departments, and is responsible for ensuring that government priorities are included and addressed during the formulation of country strategies. An exception is AfDB where CSP missions are led by regional departments based at HQs with participation from all sectors, with the objective of discussing CSP priorities with governments and donors and identifying project pipeline. Even at AfDB, however, there is a plan for further decentralization, where responsibility will be transferred to country economists.
112. **Role of Executive Board.** In all IFIs, country strategy documents are submitted to their Executive Boards for review and endorsement the exception being the ADB, which formally approves the documents. As a means to enhance institutional efficiency, the endorsement/approval of a country strategy normally implies the approval of the introduction into the pipeline of the investment proposals associated with it, and is normally described with project concept notes.
113. **Budget.** In terms of resources allocated to COUNTRY STRATEGY preparation, all IFIs avail of larger resources than IFAD considering the staff time involved. Although there are no official figures, it is estimated that the preparation of a country strategy can range between US\$250,000 to \$500,000.

⁹⁰The Independent Evaluation Department (IED) has expressed concerns that a number of recent CSPs seem to becoming standardized, identifying as common priorities the strengthening of governance and support for infrastructure. Although this could reflect the perceived AfDB's comparative advantage, this could also reveal a prevalence of a corporate agenda vs. diversified national development goals.

114. **Structure of country strategy documents.** Content-wise, there are more similarities than differences. Country strategies generally start with a description of country contexts, spelling out economic, social and political dimensions and the government's objectives. They provide information about the aid framework, review past operations and try to identify their institution's comparative advantage. Common to all Country strategies is also the rationale for future interventions, identification of strategic objectives and expected results. Compared to IFAD's COSOP, there is more attention to the identification of risks and mitigation measures. Policy dialogue is retained under a broader concept of country dialogue. A unique feature of IFAD is the inclusion of the ACP whenever a CPE has preceded the formulation of the RB-COSOP. Also, IFAD requires the inclusion of the Results Management Framework of the last country strategy while the World Bank attaches the last Completion Report.
115. **Asian Development Bank (ADB).** The experience of ADB is particularly relevant. ADB's Country Partnership Strategy (CPS) procedures were changed as of January 2010, following a major review of relevance, effectiveness and efficiency of CPS procedures. The review concluded that CPS was an encyclopaedic, repetitive and resource intensive product, subject to 'mission creep', where ADB's policies were translated into formal and informal CPS requirements without considering their relevance. The review also pointed out that the QA process was not effective, the Results Management Framework overly complex, and the average processing time of a CPS was about two years (against a corporate objective of 39-45 weeks).
116. Hence, the new CPS procedures have the following main objectives: i) present crisper documents; ii) minimize preparation costs; iii) make the process less time-consuming; iv) better reflect ADB's core areas of specialization; and v) better knowledge management. The following were the main operational changes: better alignment with client needs; simplification of supporting documentation; interdepartmental review replaced by peer reviewers within the country team;⁹¹ introduction of a three-year Country Operation Business Plan as a CPS implementation tool, which details three-year rolling pipelines and the resources needed to support them; strengthening of the results framework, to be reviewed and updated annually as part of country programming; abolishment of the CPS Mid-Term Review; and replacement of the CPS Completion Report with a CPS Final Review to assess the validity of ADB's strategic focus and report on the CPS's progress using the results framework.

Key points

- All IFIs have evolved their country strategy processes over the years. All financing institutions submit their country strategy documents to their Executive Board, for endorsement. Generally they cover a five-year period. All IFIs are now aligned with the inclusion in their Country strategies of a Results Management Framework.
- Compared to IFAD, the most obvious difference lies in the multi-sectoral dimension of the other IFIs. This element adds more complexity to the preparation of country strategies. Another difference relates to the use of external consultants, which is considered as an exception because of the availability of specialized sector staff and the need to ensure full institutional ownership of and priority for this process.
- All Country strategies implement the Paris Declaration on Aid Effectiveness and refer to Paris Declaration principles. However, the degree of adherence to these principles varies.
- Country Strategy preparation has been decentralized to country offices in most IFIs reviewed. An exception is AfDB where CSP missions are led by regional departments based at HQs.

⁹¹ Including the Economic and Research Department, the Independent Evaluation Department and the Regional and Sustainable Development Department.

Key points (cont.)

- In terms of resources allocated to country strategy preparation, all other IFIs undoubtedly have larger resources than IFAD.
- With regard to the structure of country strategy documents, there are more similarities than differences. Compared to IFAD's RB-COSOP, there is more attention to the identification of risks and mitigation measures. Policy dialogue is retained under a broader concept of country dialogue. A unique feature of IFAD is the inclusion of the ACP and also the Results Management Framework of the last Country strategies, while the World Bank provides the last completion report.

VIII. Preliminary conclusions

117. We began this synthesis survey with the objective to assess whether the new RB-COSOP has enabled IFAD to enhance the performance of its country programmes and whether it is serving as an instrument for: i) improved country programme planning; ii) learning and accountability; and iii) capturing synergies between lending and non-lending activities.
118. In the process, we outlined the context and drivers of IFAD's move from generalised COSOPs to RB-COSOPs; assessed the relevance, effectiveness and overall performance of the RB-COSOPs; assessed the performance of key components of the RB-COSOP – namely, project performance, impact on poverty, sustainability, innovation and scaling up, knowledge management, policy dialogue, partnership building and COSOP management arrangements.⁹²
119. Specifically, with regard to the questions we posed at the beginning of this report, the evidence available would support the following observations:
- ✦ **Country programme planning.** The RB-COSOPs have helped in improving effective country programme planning by ensuring better geographic and demographic targeting and alignment with national developmental goals and IFAD's strategic framework. Serious efforts have been made to promote full-country ownership of the programmes in accordance with the Paris Declaration. Still, there is work to be done especially with regard to aid harmonisation and adoption of national systems of implementation, monitoring and reporting;
 - ✦ **Synergies between lending and non-lending activities.** While the RB-COSOPs have led to increased attention to policy dialogue, partnership building and knowledge management to promote innovations and scaling up, the effectiveness of these activities is greatly limited by the fact that they are under-resourced. Thus synergies between these activities (including the use of grants) are not adequately built upon and desired impacts are not realised;
 - ✦ **Learning and accountability.** The RB-COSOP's emphasis on knowledge generation and sharing, as well as on tracking and monitoring of results, has led to a heightened sense of accountability amongst all key stakeholders and has contributed to improved country programme performance. IFAD is generally seen as a reliable and supportive developmental partner that contributes a wealth of international experience to this effort. The RB-COSOP is viewed as an important input to strengthening and deepening this relationship, while making IFAD's developmental contribution more effective

⁹² We did not assess project impacts as this is beyond the scope of this meta-evaluation. However, the CPEs have considered this aspect when rating COSOP effectiveness and we have drawn upon these results.

120. Likewise, with regard to the assessment of the performance of RB-COSOP and its key-components, past evaluation activities would support the following conclusions:

- ✦ **RB-COSOP's performance.** Based on CPEs' assessments of the five RB-COSOPs, in terms of their relevance, effectiveness and overall performance, there has been a general improvement across all three categories compared to the COSOPs. In particular, CPEs have noted a marked improvement in the sense of ownership exhibited by partner governments. However, there is room for improvement.
- ✦ **Portfolio performance.** Likewise, there has also been an improvement in portfolio performance over the years.⁹³ Individual projects have resulted in significant impacts at the household level, as well as on human and social empowerment, in particular. The sustainability rating of projects has been improving over time. Quite noticeably, RB-COSOPs have been paying greater attention to innovations and scaling up.
- ✦ **NLAs Performance.** CPEs have noted an overall improvement in the performance of NLAs over the years. However, there are a number of limitations that constrain this performance such as: insufficient human and budgetary allocations; limited incentive and accountability structures; insufficient in-country human resources; limited grant resources and cumbersome procedures for accessing them; and insufficient integration of these activities into the overall country programmes. Looking at NLAs in more detail:
 - a) **Knowledge management,** continues to perform less well than policy dialogue and partnership building, but has nevertheless been showing consistent improvement in recent years. The challenge for IFAD remains to build on its successful innovations by producing knowledge products for training, capacity building and evidence-based policy and advocacy.
 - b) **Policy dialogue** has shown an upward trend but continues to face challenges. Since IFAD looks to play an increasingly proactive role in national, regional and global policy-making fora, it will have to look beyond the scope of concrete project-level issues and invest substantially in analytical capacity, knowledge management, and networking. It should acknowledge that the difference in this domain is created by the quality of knowledge, access and relationships. At the same time, the tendency to set overly ambitious goals should be addressed by revisiting the QE/QA process and ensuring that the policy agenda is coherent with the strategic objectives of the country programme.
 - c) **Partnership building** has also improved, though marginally. On the whole, IFAD has been rather successful with regard to building partnerships with governments, NGOs and civil society. Partnerships with multilateral and bilateral development organizations, as well as with donor agencies, are more limited and not as successful as hoped. Partnerships with the private sector are now on the agenda, though much work has yet to be done in terms of developing appropriate instruments and mechanisms for purposeful collaboration.

121. However, it should be pointed out that while the improved performance in country programming can be attributed to some extent to the introduction of the RB-COSOP, the overall improvement in performance of the lending and non-lending activities **can be largely attributed** to IFAD's move to direct supervision,

⁹³ This also includes an assessment of rural poverty impact, sustainability, innovation and up scaling.

increased support being provided to projects through grants, increased involvement of civil society and private sector actors, a growing in-country presence, and the individual initiatives of CPMs and country teams. At the same time, there is still room to enhance the quality of RB-COSOPs, ensuring that they provide realistic objectives, in particular in the domains of policy dialogue and partnership development; as well as ensuring that the RB-COSOPs retain a forward-looking strategic focus and do not end up as bureaucratic documents simply required for justifying the introduction of new projects into the pipeline. In this regard, IFAD management should ensure that RB-COSOPs' formulation, management and monitoring are properly funded. The decisions being taken following the recent budgetary reductions seem to be going in the opposite direction, affecting RB-COSOPs more than other instruments of intervention. In addition, both IFAD management and the Executive Board should ensure that RB-COSOPs work as effective instruments of country program management, are not loaded with unrealistic expectations, not vexed with unnecessary requests and respond to borrowers' needs that sometimes are different.

122. Finally, based on the review of IFAD management documents and the interactions with IFAD staff, the Synthesis Report has identified a number of issues that may be considered by IFAD management while preparing the new RB-COSOP Guidelines foreseen in 2014 in order to further enhance IFAD's operations:
- (i) **RB-COSOP guidelines.** While the current guidelines are comprehensive, they need to be simplified. Clarity on a few key questions, such as when a RB-COSOP needs to be undertaken and what is the synchronization with the government's development plans also needs to be provided. The need for the Strategic Environmental Assessment can be reconsidered. Moving away from a compliance approach, the new Guidelines should also acknowledge the possibility to customize country strategies in accordance with different country circumstances and borrowers' requests.
 - (ii) **Budget.** RB-COSOP is under-resourced, both with regard to its formulation, as well as to the monitoring of its implementation. This issue needs to be addressed promptly, mainly with regard to the rising expectations of IFAD's management for an enhanced country programme approach and more effective reporting on results.
 - (iii) **Review process.** Most staff have expressed the view that the entire review process is cumbersome, time-consuming and often reflecting the personal or institutional perspectives of the reviewer. The experience with external reviews is mixed, and it is not obvious whether it adds real value. The review process could be simplified by dropping the requirement of the MAT. The QA/external review, if maintained, could be brought forward with the participation, whenever appropriate, of a government representative.
 - (iv) **RB-COSOP monitoring.** Normally, RB-COSOPs annual reviews are combined with portfolio reviews and focus more on tracking project implementation progress and difficulties being faced, rather than assessing whether projects and NLAs together are contributing toward achieving the RB-COSOP's strategic objectives. Further, there does not seem to be additional funding for annual review activities. Hence, it is questionable whether they should be retained or rather phased out while investing more in MTRs.
 - (v) **Results management framework.** While reporting of results and outcomes has improved over the years, significant challenges remain such as choosing appropriate indicators, linking project-level with country-level strategic goals and outcomes, determining realistic objectives, and lack of dedicated composite indicators and targets that measure government's performance. At the same time, the weakness of M&E systems at the project level as well as at the country programme level continues. Well-functioning M&E and

reporting systems are necessary to fine-tune RB-COSOPs throughout their duration as they are supposed to be 'living documents'. Finally, expectations to attribute results to IFAD should be replaced by the identification of what IFAD contributes to the achievement of Government's own objectives.

- (vi) **Rename RB-COSOP.** Last but not least, consideration could be given to rename IFAD's country strategies. In line with the principles of the most recent declarations on aid-effectiveness, it is worth placing emphasis on the partnership element of the country strategies. The term 'Country Partnership Strategy' , currently used by World Bank and ADB could be one option.
- (vii) **Approval process by the Board.** In order to improve the efficiency of the Board, members may wish to reflect whether the Board should be asked to approve future loans and grants to a specific country within the context of a new RB-COSOP. This could relieve the Board of spending time to approve individual projects. To ensure more informed decision-making, the Board could also discuss the full CPE reports, when available, before considering a new RB-COSOP in the same country.

Summary table of the key changes to the COSOP

| (1) | COSOP (2) | Results-based COSOP (3) | Comparison of COSOPs and RB-COSOP s (Cols. 2 and 3)* | | | |
|-------------------------|---|---|---|---|---|---|
| | | | Kenya (4) | Rwanda (5) | Vietnam (6) | Yemen (7) |
| Purpose of COSOP | Strategic positioning of IFAD at the country level. | Strategic positioning of IFAD at the country level with reference to the Strategic Framework and other IFAD policies/strategies. plus Instrument for management, learning and accountability for achieving strategic objectives. | Both the COSOP and the RB-COSOP made reference to IFAD's SF; the COSOP also referred to 3 IFAD Regional Strategies. The COSOP was seen more as a strategic document rather than for accountability purposes. | Yes, as indicated in both cases. The COSOP was seen more as a strategic document rather than for accountability purposes. | Yes, as indicated in both cases. The COSOP was seen more as a strategic document rather than for accountability purposes. | Yes, as indicated in both cases. The COSOP was seen more as a strategic document rather than for accountability purposes. |
| IFAD specificity | Discussion on IFAD niche. | Systematic description of IFAD's comparative advantage and competencies in the country. | Yes, as indicated, in both cases. | Yes, as indicated, in both cases. | Yes, as indicated, in both cases. | Yes, as indicated, in both cases. |
| Target group | No discussion of target strategy and target groups. | Inclusion of targeting strategy and key file on intended target groups. | The previous COSOP had a diffused strategy whereas the RB-COSOP's was clearly defined and specific. Both have a key file on the target group but the RB-COSOP's is specific and detailed whereas the COSOPs is broadly generic in nature. | The COSOP did not have a clear social targeting approach. The RB-COSOP clearly identified 4 categories of poor groups as well as farmers organisation and determined the target population using community based participatory processes While neither the COSOP nor the RB-COSOP dealt with geographic targeting, the RB-COSOP established criteria for selection of areas that would benefit from future interventions Both have a key file on the target group but the RB-COSOP's is specific having poverty indicators and coping mechanisms whereas the COSOPs is broadly generic in nature. | The COSOP included both geographic as well as social targeting based on community wealth ranking. However, the RB-COSOP has a detailed analysis of vulnerable groups (7 categories as against only 4 of the COSOP) and has a Key file in this regard which is absent in the case of the COSOP | The COSOP targeted Marginal and peripheral areas where the majority of inhabitants are poor; whereas the RB-COSOP adopted a broader approach –wherever rainfed agriculture is predominant since these would likely have high poverty rates. The RB-COSOP chose a self-targeting approach tailoring interventions in purpose, scope and size so as to be attractive mainly to poor people. 4 categories of poor were identified in the RB-COSOP. |

| (1) | COSOP (2) | Results-based COSOP (3) | Comparison of COSOPs and RB-COSOP s (Cols. 2 and 3)* | | | |
|---|---|---|--|--|---|---|
| | | | Kenya (4) | Rwanda (5) | Vietnam (6) | Yemen (7) |
| Ownership | IFAD ownership | Joint IFAD and country ownership In-country stakeholder involvement in COSOP design and implementation. | Previous COSOP largely an IFAD-led activity; the RB-COSOP resulted from extensive consultations and has a specific Appendix in this regard. | Previous COSOP largely an IFAD-led activity; the RB-COSOP resulted from extensive consultations and has a specific Appendix in this regard. | Previous COSOP largely an IFAD-led activity; the RB-COSOP resulted from extensive consultations and has a specific Appendix in this regard. | Previous COSOP largely an IFAD-led activity; the RB-COSOP resulted from extensive consultations and has a specific Appendix in this regard. |
| Aid Effectiveness | No systematic analysis | Full alignment with national poverty reduction strategy (or its equivalent) □□Description of how IFAD is interfacing with harmonization/alignment initiatives, with emphasis on IFAD's complementarity | Both the COSOPs were aligned with the PSRP and other Govt. policies. There is greater emphasis on harmonisation in the RB-COSOP especially through participation in the multi-donor government-led Kenya Joint Action Strategy Platform. | Both the COSOPs were aligned with the PSRP and other Govt. policies. There is greater emphasis on harmonisation in the RB-COSOP especially through participation in the Development Partners Coordination Group (DPCG) and in two cross-sectoral clusters (rural development and the private sector) | Both the COSOPs were aligned with the PSRP and other Govt. policies. While both the COSOP and RB-COSOP recognized the need for harmonisation, no specific measures were proposed. | Both the COSOPs were aligned with the PSRP and other Govt. policies. While both COSOPs recognized the need for harmonisation, no specific measures were proposed. |
| Focus | Lack of focus a frequent criticism (often have more than seven areas of intervention) | Maximum of three strategic objectives in each COSOP (possibly up to five in special cases). | □he previous COSOP had only one broad goal ; the RB-COSOP had 3 specific and focussed strategic objectives. | The COSOP had 7 strategic objectives ("Thrusts"); the RB-COSOP had 3 specific strategic objectives | The COSOP had 8 "Thrusts" areas,; the RB-COSOP had 4 specific strategic objectives. | The COSOP had 5 "Thrusts" areas; the RB-COSOP had 3 specific strategic objectives. |
| Instruments for delivering the country programme | Mainly loans | Loans, grants, policy dialogue, partnerships, knowledge management. | The Policy agenda was directly linked to the strategic objectives in the RB-COSOP but only broadly in the COSOP. Besides Knowledge management which was not specifically considered in the COSOP, grants and partnerships have been considered in both the COSOPs. | Policy agenda was directly linked to the strategic objectives in the RB-COSOP The COSOP identified 6 policy dialogue areas but did not specifically link them to the strategic objectives. Knowledge Management was not dealt with in the COSOP; whereas in the RB-COSOP it was considered for each level - program, project and community | Policy agenda was directly linked to the strategic objectives in the RB-COSOP which included a table on how policy changes will be sought. The COSOP also had 6 policy areas but no specific outcomes were defined nor pathways determined. Knowledge Management was not dealt with in the COSOP; the RB-COSOP had a specific | The PC identified 4 areas for policy change; however, it doesn't say how it will realise these. The RB-COSOP is more precise - It identifies 4 areas for dialogue and envisages these becoming part of the PBAS consultations during the annual review process. The RB-COSOP had a specific knowledge management strategy and identified innovation opportunities against each strategy objective |

| (1) | COSOP (2) | Results-based COSOP (3) | Comparison of COSOPs and RB-COSOP s (Cols. 2 and 3)* | | | |
|--|---|--|--|--|--|---|
| | | | Kenya (4) | Rwanda (5) | Vietnam (6) | Yemen (7) |
| | | | | | knowledge management and communication strategy | |
| Complementarity of delivery instruments | Rare | Full synergy and complementarity of delivery instruments in support of the same three central strategic objectives | The COSOP did not consider synergies; whereas the RB-COSOP did try to leverage the NLAs to achieve the strategic objectives. The full potential of grants was not realised in both cases | The COSOP did not consider synergies; whereas the RB-COSOP did try to leverage the NLAs to achieve the strategic objectives | The COSOP did not consider synergies; whereas the RB-COSOP did try to leverage the NLAs to achieve the strategic objectives | The COSOP did not consider synergies; whereas the RB-COSOP did try to leverage the NLAs to achieve the strategic objectives |
| Operational details | Description of future loans not always included | Brief description of future projects included, in particular, projection of likely results from these future projects. | No separate Project Concept Notes attached in either case though the CPE makes mention of 5 new projects that were to be implemented following the RB-COSOP | The COSOP spoke of expanding 2 ongoing projects and planning for a new one; but neither finance, target groups not impacts were included. The RB-COSOP included 2 PCN giving the necessary details | No PCNs attached to the COSOP though 2 new loans without details were indicated. The RB-COSOP had included 2 detailed PCNs with an outlay totalling \$ 37 million | No PCNs attached to the COSOP. The RB-COSOP included 4 detailed PCNs with an outlay totalling between 70-80 million. |
| Financing framework | No standard approach | Standard approach following IFI best practice | In the RB-COSOP, there is a discussion of the PBAS but no indication of the level of resources that would be made available. The COSOP makes no mention of resources | The PBAS method was used to allocate \$ 21 million for the period 2007-2009 and possibly the same figure or more for 2010-2012. The COSOP makes no mention of funds reqd. | The COSOP mentions a total allocation of 48 million without indicating how it arrived at this figure. The RB-COSOP used the PBAS to arrive at a figure of \$ 80 million. | The RB-COSOP used the PBAS to arrive at a figure of \$ 60 million. |
| Results framework | Logical framework | Results management framework | Yes as indicated in both cases. | Yes as indicated in both cases. The RB-COSOP pledged to establish a "country programme-wide M&E system" harmonized with national monitoring systems | Yes as indicated in both cases. The Results Management Framework had quantitative outcome and milestone indicators. | Yes as indicated in both cases. |
| Accountability | Limited accountability (no annual | Annual reporting on results management framework indicators, a mid-term review and self- | Yes as indicated in both cases; except that in the RB-COSOP, no CR is | Yes as indicated in both cases; except that in the RB-COSOP, no CR is available | Yes as indicated in both cases; except that in the RB-COSOP, no CR is | Yes as indicated in both cases; except that in the RB-COSOP, no CR is |

| (1) | COSOP (2) | Results-based COSOP (3) | Comparison of COSOPs and RB-COSOPs (Cols. 2 and 3)* | | | |
|---------------------------------|---|---|--|--|--|--|
| | | | Kenya (4) | Rwanda (5) | Vietnam (6) | Yemen (7) |
| | reporting, no mid-term review and no self-evaluation at COSOP completion) | evaluation at completion | available | | available | available |
| Retrofitting | No retrofitting to ongoing activities | Annual reporting on results management framework indicators will cover both ongoing and new activities <input type="checkbox"/> <input type="checkbox"/> Limited retrofitting would be encouraged during the life of the COSOP, while respecting any limitations imposed by established legal agreements | Yes as indicated in both cases. Neither the MTR nor the CPE of the RB-COSOP recommended any retrofitting | Yes as indicated in both cases. No retrofitting of the RB-COSOP was deemed necessary | Yes as indicated in both cases. No retrofitting of the RB-COSOP was deemed necessary | Yes as indicated in both cases. No retrofitting of the RB-COSOP was deemed necessary |
| Supplementary appendices | Selected key files | Full set of key files | Both had a full set of Key files with the COSOP having an additional one-Stakeholders' Matrix pertaining to project activities | Both had a full set of Key files with the COSOP having an additional one-Stakeholders' Matrix pertaining to project activities | The COSOP had only one Key file –“Other Donors and their Activities”. The RB-COSOP had a full set of Key Files | The RB-COSOP had a full set of Key Files |

Source: IFAD Updated Guidelines and Sourcebook, 2011.

Notes: (*) This section draws upon the earlier COSOPs, the RB-COSOPs and the latest CPEs of these 4 countries as follows: Kenya (COSOP 2002; RB-COSOP 2007; CPE 2011); Rwanda (COSOP 2002; RB-COSOP 2007; CPE 2012); Vietnam (COSOP 2003; RB-COSOPs of 2008 ; CPE 2012); Yemen (COSOP 1997; RB-COSOP 2007; CPE 2011).

List of documents and IOE's reports reviewed

Documents

IFAD, An Independent External Evaluation of the International Fund for Agricultural Development, 2005.

IFAD, IFAD's Action Plan for Improving its Development Effectiveness, December 2005.

The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, 2005.

IFAD, Enhancing the quality of COSOPs: Guidelines for the new internal review process for COSOPs, 2008.

IFAD, IFAD's Action Plan to improve its development effectiveness, April 2008.

IFAD, Vision, Action, Impact: IFAD's Action Plan to Improve its Development Effectiveness, Enabling poor rural people to overcome poverty, June 2008.

The Brookings Institute, Scaling Up the fight against Poverty, 2010.

Busan Partnership for Effective Development Cooperation, 4th High Level Forum on Aid Effectiveness, Republic of Korea, 29th November – 1st December 2011.

IFAD, Updated Guidelines and Source Book for Preparation and Implementation of a Results-Based Country Strategic Opportunities Programme (RB-COSOP) - Vol. 1 and 2./ Section III, 2011.

IFAD, IFAD Strategic Framework, 2011-2015.

IFAD, ARRI, 2012, Issues paper on Policy Dialogue.

Fabrizio Felloni, Back to Office Report, October 2012.

IFAD, Draft Medium-Term Plan for IFAD 9 (2013-2015), October 2012

CPEs of the following countries:

Rwanda 2006

Cambodia 2007

Mali 2007

Brazil 2008

Morocco 2008

Pakistan 2008

Ethiopia 2009

Nigeria 2009

Sudan 2009

Argentina 2010

India 2010

Mozambique 2010

Niger 2010

Kenya 2011

Yemen 2011

Indonesia 2012

Ghana 2012

Mali 2012

Rwanda 2012

Vietnam 2012

RB – COSOPs of the following countries

Ghana 2006

Kenya 2007

Mali 2007

Rwanda 2007

Yemen 2007

Brazil 2008

Ethiopia 2008

Vietnam 2008

Sudan 2009

Nigeria 2010

China 2011

India 2011

Egypt 2012

Vietnam 2012

COSOPs of the following countries

Brazil 1997

Yemen 1997

Egypt 2002

Kenya 2002

Rwanda 2002

Vietnam 2003

Egypt 2006

MTRs of the following countries:

Bangladesh 2008

Kenya 2010

Vietnam 2010

Sudan 2012

ARs of the following countries

Cambodia 2008, 2009 and 2010

Vietnam 2010, 2011 and 2012

Kenya 2010, 2011 and 2012

Brazil 2011

OSC Meeting Minutes/ OSC Issues Paper

Yemen COSOP, (OSC 07/50/PN - 16 October 2007)

Vietnam (2007) for COSOP (2008) OSC Issues Sheet for COSOP 2008

Rwanda: COSOP, (OSC 07/33/PF - 12 July 2007)

Mali: COSOP, (OSC 07/47/PA - 04 October 2007)

Kenya: COSOP, (OSC 07/34/PF - 12 July 2007)

Brazil COSOP, (OSC 08/07/PL - 10 June 2008)

Yemen, OSC #: OSC 09/11/PN, Meeting date: 19 March 2009, Economic Opportunities Project (EOP) – Concept Note

Nigeria, OSC Issues Paper, 19 February 2010

India, COSOP, (OSC 2011/06/APR – 3 March 2011)

Vietnam, Issues Paper for COSOP 2012

Internal Review /External Review/ QE/ MAT/ CPMT documents of the following countries:

Rwanda, Preliminary Comments from PDMT of COSOP, June 2007

Yemen PN Peer Review Minutes (PDT members, a PDT meeting was held on the 10th of September 2007).

Brazil, MAT, May 2008

Vietnam, MAT of COSOP 2008

Vietnam, External Review by the World Bank for COSOP 2008

Vietnam, In-house Peer Review of COSOP, 2008

Vietnam, QE Compliance Note for COSOP 2008

Vietnam, QE Panel Report, COSOP 2008

Rwanda, Internal Review for the KWAMP Project, March 2008

Rwanda, QE Panel Report, KWAMP, March 2008

Rwanda, Country Programme Performance Review, 2010

Rwanda, Country Programme Performance Review, 28th September 2011

China, Comments on P. R. China COSOP and Responses, September 2012

Nigeria, Minutes of CPMT Meeting, Abuja, 15 February 2012

Vietnam, External Review by the World Bank for COSOP 2012

Vietnam, External review by FAO for COSOP 2012

Vietnam, In-house Peer Review of COSOP, 2012

Vietnam, MAT of COSOP 2012

Executive Board Verbatim of the following countries:

Kenya, Rwanda and Tanzania, 91st Session, September 2007

Mali and Yemen, 92nd Session, December 2007

Brazil, 94th Session, September 2008

Nigeria, 99th Session, April 2010

Vietnam and Bangladesh, 105th Session, April 2012

Annual Report on Results and Impact (ARRI) of the following years:

ARRI 2008

ARRI 2009

ARRI 2010

ARRI 2011

Regional Portfolio Reviews of the following regions:

Asia Pacific Region, July 2010 – June 2010

Eastern and Southern Africa, July 2010 – June 2010

Latin America and the Caribbean Division, 2010 – 2011

Near East, North Africa and Europe, 2010 -2011

List of persons met

Members of the executive board

Mr Pattanayak, Permanent Representative of India, Executive Board Director of IFAD for India

Dr Yaya O. Olaniran, Permanent Representative of the Federal Republic of Nigeria, Executive Board Director

Ms Adair Heuchan, Deputy Permanent Representative of Canada, Executive Board Director

IFAD Management and Officers

Mr Kevin Cleaver, Vice President, Programmes (telephone interview)

Mr Luciano Lavizzari, Director, IOE

Mr Ashwani Muthoo, Deputy Director, IOE

Mr Ides de Willebois, Director, WCA

Mr Périn Saint Ange, Director, ESA

Mr Gary Howe, Director, SPD, SKM

Mr Thomas Elhaut, Director, SSD, SKM

Mr Carlos Seré, Chief of SKM, SKM

Mr Nigel Brett, OIC, APR

Mr Abdelhamid, Abdouli OIC, NEN

Mr Cheikh Sourang, Senior Programme Manager, SKM

Mr Shantanu Mathur, Head, Management Support Unit, PTA

Ms Atsuko Toda, CPM, WCA (skype interview)

Mr Ronald Hartman, CPM Indonesia, APR

Mr Claus Reiner CPM Mozambique, ESA

Mr Ladislao Rubio, CPM Nicaragua, LAC

Mr Omer Zafar, CPM Yemen and Jordan, NEN

Mr Sana Jatta, CPM China, APR

Mr. Paolo Silveri, CPM Argentina, LAC

Mr Abdul Barry, former CPM Nigeria, WCA

Mr Edward Heinemann, former CPM Zambia, SKM

Mr Vincenzo Galastro, CPM Niger, WCA

Mr Ivan Cossio, CPM Brazil, LAC

Ms Mylene Kherallah, Senior Technical Advisor, PTA

Definition of the evaluation criteria used by IOE

| <i>Criteria</i> | <i>Definition^A</i> |
|---|---|
| Project performance | |
| Relevance | 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 design in achieving its objectives. |
| Effectiveness | The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance. |
| Efficiency | A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results. |
| Rural poverty impact^B | Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. |
| <ul style="list-style-type: none"> Household income and assets | 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"> Human and social capital and empowerment | Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity. |
| <ul style="list-style-type: none"> Food security and agricultural productivity | 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"> Natural resources, the environment and climate change | The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment. It also assesses any impacts projects may have in adapting to and/or mitigating climate change effects. |
| <ul style="list-style-type: none"> Institutions and policies | 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 the poor. |
| Other performance criteria | |
| <ul style="list-style-type: none"> Sustainability | 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"> Innovation and scaling up | 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) scaled up by government authorities, donor organizations, the private sector and others agencies. |
| <ul style="list-style-type: none"> Gender equality and women's empowerment | The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects. |
| Overall project achievement | This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above. |
| Performance of partners | 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"> IFAD Government | |

^A 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 IFAD Evaluation Manual (2009).

^B The IFAD Evaluation 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.

Benchmarking common elements in country strategy* between IFAD and other organizations

| | IFAD | World Bank | ADB | AfDB | IDB |
|---|------|------------|-----|------|-----|
| Lessons from past experience in the country | ✓ | ✓ | ✓ | ✓ | - |
| Government development plan | ✓ | ✓ | ✓ | ✓ | ✓ |
| Country strategic framework (comparative advantage, strategic objectives, opportunities for innovation and scaling up, targeting strategy and policy linkages) | ✓ | ✓ | ✓ | ✓ | ✓ |
| Target group identification | ✓ | ✓ | ✓ | ✓ | ✓ |
| Baseline Poverty Analysis | ✓ | ✓ | ✓ | ✓ | ✓ |
| Sectoral priority | - | ✓ | ✓ | ✓ | ✓ |
| Rural Poverty and Agricultural/Rural Sector Issues | ✓ | ✓ | ✓ | ✓ | ✓ |
| Country strategy management/ monitoring | ✓ | ✓ | ✓ | ✓ | ✓ |
| Complementary Donor Initiative/Partnership Potential | ✓ | ✓ | ✓ | ✓ | ✓ |
| Knowledge management and communication | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financing framework | ✓ | ✓ | ✓ | ✓ | ✓ |
| Risks identification and management | ✓ | ✓ | ✓ | ✓ | ✓ |
| Results Management Framework/matrix | ✓ | ✓ | ✓ | ✓ | ✓ |
| Baseline Poverty Analysis | ✓ | ✓ | ✓ | ✓ | ✓ |
| Organizations matrix (SWOT analysis) | ✓ | - | - | ✓ | - |
| Completion Report of previous country strategy | - | ✓ | - | - | - |
| Previous Results Management Framework (summary of key results) | ✓ | - | - | - | - |
| CPE Agreement at Completion Point | ✓ | - | - | - | - |

Note*: IFAD: Country Strategic Opportunities Programme (COSOP)

World Bank: Country Assistance Strategy (CAS).

AfDB: Country Strategy Paper (CSP)

IDB: The Bank's Country Strategy (BCS).

ADB: Country Partnership Strategy (CPS) and Country Operations Business Plan (COBP).

Sources:

AfDB. UGANDA RESULT-BASED COUNTRY STRATEGY PAPER 2011-2015, 2010.
AfDB. ANGOLA 2011-2015 Country Strategy Paper & 2010 Country Portfolio Performance Review, 2011.
AfDB. SEYCHELLES COUNTRY STRATEGY PAPER 2011-2015, 2011.

World Bank. CAS for the Republic of India 2009-2012, 2008.
World Bank. CAS for the Republic of Uganda 2011-2015, 2010.

IDB. IDB COUNTRY STRATEGY WITH MEXICO 2010-2012, 2010.
IDB. IDB COUNTRY STRATEGY WITH PERU 2012-2016, 2012.

IFAD. ARAB REPUBLIC OF EGYPT RB-COSOP, 2012.
IFAD. Socialist Republic of Viet Nam COSOP, 2012.

ADB. Azerbaijan COBP 2012–2014, 2012.
ADB. Bangladesh COBP 2013–2015, 2012.
ADB. Kazakhstan Country Partnership Strategy 2012–2016, 2012.
ADB. Viet Nam Country Partnership Strategy (2012-2015), 2012.

Guidebooks:

ADB. Unpacking the ADB: A Guide To Understanding The Asian Development Bank: Country strategy.
IFAD. Updated Guidelines and Source Book for Preparation and Implementation of a RB-COSOP, 2011.

RB-COSOP implications of recent IFAD's policies and strategies

Knowledge Management strategy (2007)

Moving forward: A framework for IFAD knowledge management.

Strengthening knowledge sharing and learning processes within the country programme cycle.

At the country level, three major processes will be strengthened or scaled up to improve impact through knowledge-sharing and learning: (i) the project cycle will be retooled to integrate knowledge management throughout; (ii) a knowledge-based policy development process will be tested; and (iii) specific local learning activities will be scaled up. Within the country programme, articulated through results-based COSOPs, better knowledge management should help improve country programmes by delivering better country programme design, better project design and better implementation support – three key performance indicators in support of development effectiveness targets. Innovation, learning and scaling up together form one of IFAD's six principles of engagement, which apply to all IFAD's country programmes: knowledge management is central to this agenda. In this respect, the COSOP articulates IFAD's knowledge management strategy relative to country-level objectives, and provides a platform to ensure that knowledge is fed back into corporate level knowledge management processes. Above all, it will ensure that local knowledge and experience are effectively mobilized in IFAD's country-level policy dialogue, programme implementation and programme development work. Learning and knowledge sharing will be improved by mainstreaming knowledge management at the country level using the revised framework for results-based COSOPs. Reporting on knowledge management activities will be part of the COSOP review exercise.

Related Results Framework to Country Strategy

| Expected results | Baseline | Three-year objective |
|--|--|--|
| <p>Systematic knowledge-sharing and learning within the country programmes. Knowledge gained from implementation shared to improve programme effectiveness and influence policies</p> | <ul style="list-style-type: none"> • COSOPs do not systematically provide for knowledge management • Design missions do not systematically use Learning Notes • Lessons from design and implementation are not systematically captured and shared • M&E does not adequately provide for learning at project level or beyond • Learning Notes are updated irregularly, and are not used systematically in all stages of the project cycle • Experience from programme implementation is not systematically used to influence policies | <ul style="list-style-type: none"> • Knowledge management is mainstreamed in results-based COSOPs as per results-based COSOP guidelines • Design missions for all programmes systematically use Learning Notes as part of their terms of reference and feed new lessons and insights back into them • For selected, thematically focused activities (for example, rural finance), lessons are captured through supervision and review reports and key lessons disseminated through Learning Notes, regional and thematic networks and the Rural Poverty Portal • M&E is strengthened to provide for learning using M&E project guidelines and other tools • Learning Notes are regularly updated, and systematically used by design, supervision and policy support missions; feedback on lessons and insights from those missions is incorporated into Learning Notes • IFAD in-country policy dialogue is systematically informed by programme experience and sound development research |
| <p>Initiatives to value and stimulate local knowledge are consolidated and scaled up to inform country programmes</p> | <ul style="list-style-type: none"> • Various local knowledge initiatives are conducted in isolation and with limited perspective for scaling up | <ul style="list-style-type: none"> • Local knowledge initiatives are further developed and scaled up (for example, Linking Local Learners, indigenous knowledge) in ten country programmes |

Innovation Strategy (2007)

Planning and implementing the scaling up of innovations in RB-COSOPs. Key partners in scaling up are governments, other international financial institutions, bilateral donors, other Rome-based agencies and other agencies in the "One United Nations" framework. Opportunities for engagement on this front can be scouted and facilitated at the global level and through support to RB-COSOP teams. At the global level, opportunities include involving the Sustainable Agriculture and Rural Development initiative, managed by FAO, in the IFAD innovation network, in joint knowledge management on innovation, and in joint policy dialogue on the challenges of sustainability and climate change. Other possibilities for scaling up innovations in the One United Nations framework include joint research, funding and advocacy – with FAO and the World Food Programme – for complementary activities on the continuum from emergency relief to recovery and development.

How does the strategy strengthen RB-COSOP?

RB-COSOP preparation: Under the Strategy, country programme teams will be able to draw on a range of innovation services during RB-COSOP preparation. For instance,

scouting services can identify consultants/facilitators who can join design teams and facilitate mapping of challenges and opportunities, in the process also building the capacity of team members to undertake such efforts in the future without external input, and deepening their understanding of rural poverty from the perspective of poor people. Consultants identified through scouting services may also support policy dialogue processes in RB-COSOP development, as well as negotiation of partnerships to promote policy research and innovation to address challenges faced by the rural poor. This will strengthen RB-COSOPs as tools to achieve increased IFAD development effectiveness, by ensuring that they ground their strategic objectives in the priorities of the rural poor, identify suitable entry points for policy dialogue, and rely on a broad group of operational and policy partners, including non-traditional partners like private sector businesses. Finally, RB-COSOPs now need to identify areas and methodologies for innovation and scaling up. Under the Strategy, the identification of this innovation agenda will be facilitated through scouting of research and development grants by IFAD or others, as well as of innovations generated by farmers, the private sector, and civil society organizations. The innovation agenda of each programme will include scaling up through loan investments of solutions introduced through the grants programme, adaptation and further testing of solutions identified by the grants programme or by rural innovators, and/or creation of new practices that need to be field-tested. A better definition of the innovation agenda of each programme through the activities envisioned in this Strategy will also enable country teams to seek funding of innovative activities from the Performance-Based Allocation System, from grant resources in IFAD or from other donors, or through sponsorships with civil society and private sector venture capital.

IFAD climate change strategy (2010)

Country strategies. COSOPs are increasingly reflecting new thinking about how climate change is altering the development context for IFAD's partners. But we can go further in ensuring that expertise is available to do this systematically.

Potential questions to be addressed in COSOP design are: (i) what are the latest available estimates of climate impacts on poor rural people – particularly on IFAD's partner communities – using disaggregated impacts (e.g. sex-disaggregated impact data if available); (ii) how could national poverty and climate change plans guide the choice of investments; (iii) are there any overall estimates on climate-related risk to the existing and planned portfolio; (iv) are there any areas for potential IFAD support that could generate rewards for the mitigation actions of smallholders; (v) what has been IFAD's past experience, comparative advantage and value-added on climate-related work in the country and what is its potential for scaling up; and (vi) what climate-related activities could be incorporated into IFAD-supported projects and policy advice.

How will IFAD achieve this?

- Enhanced stock-taking of current, relevant NRM work in country and regional programmes, which can provide lessons and be expanded and scaled up;
- Greater capacity for systematic and enhanced participation of relevant climate and environment expertise in country programme management teams and missions;
- Deeper integration of climate analysis into environment and social assessment tools – i.e. expand the scope of analysis to more fully include climate change questions. This process will feed into any potential enhancements of ESA procedures in our ENRM policy;
- Factoring emerging knowledge on climate change into COSOP mid-term reviews; and
- Inclusion of climate-change threats and opportunities in subsequent revisions to the guidelines for results-based COSOP (RB-COSOP) formulation.

Private-sector strategy (2011)

Use COSOPs more systematically. IFAD will use COSOPs more systematically as the main tool to consult with private-sector stakeholders. The current COSOP preparation process provides the appropriate forum for more systematic engagement with the

private sector. Through the internal COSOP review process, IFAD will ensure that, to the extent possible, all COSOPs include consultations with the relevant private sector in a more systematic fashion. COSOP consultations should provide an ideal platform for policy dialogue on a supportive business environment, to build partnerships, and identify needs and gaps for pro-poor rural private-sector development. For example, in October 2011, in preparing its new COSOP for Viet Nam, IFAD organized a discussion forum in Hanoi focusing on building partnerships and sharing innovative ideas for working with the private sector. During the forum, in which several of the multilateral and bilateral development organizations operating in Viet Nam participated, lessons learned and best practices in supporting private-sector engagement were discussed, and innovative financial tools and implementation arrangements were presented and debated.

| Strategic themes | Indicators |
|--|---|
| <ul style="list-style-type: none"> • Use COSOPs more systematically to engage with private-sector stakeholders • Increase use of loans and grants in support of public-private partnerships • Support a better rural business environment | <p>All new RB-COSOPs systematically include private sector as stakeholders for consultation and/or potential partnership</p> <p>20 per cent of all new loan projects or grants include the private sector as a partner or recipient</p> <p>2009 grant policy is reviewed and expanded to ensure broader engagement with private sector</p> <p>50 per cent of IFAD projects, programmes, or RB-COSOPs with a significant private sector component include policy dialogue for a better rural business environment related to the IFAD intervention</p> |

Environment and natural resource management policy (2012)

Strategic objective: Environment and Natural Resource Management (ENRM) scaled up and systematically integrated into country strategies and programmes.

IFAD will build the capacity of country programmes to respond more systematically to increasing demands from clients for help and innovations in climate change and sustainable NRM. IFAD will ensure that financing fosters supportive national and regional policy environments, creating enabling conditions for the delivery of sustainable ENRM policies. In common with IFAD's approach to climate change, this means ensuring the right toolkit for the early stages of country programme and project design, rather than as an overly compliance-driven approach in the final approval stages for results-based country strategic opportunities programmes (RB-COSOPs) and for programmes and projects. In some cases it also means more engagement – with others – in efforts by partner governments to improve their local and national policies.

Country strategies. RB-COSOPs are a key entry point for upstream analysis and assessment of how IFAD can help partners manage natural resources sustainably and respond to climate change. They are increasingly reflecting new thinking on these issues, but IFAD can go further in ensuring that expertise is available to do this systematically. A priority of RB-COSOPs will be to support national priorities on ENRM (such as ecosystem-based approaches) as reflected in poverty reduction strategy papers, relevant international guidelines, codes of conduct and relevant national strategic frameworks (e.g. national adaptation programmes of action, national action plans/programmes, etc.). The latter include sustainable national development strategies, climate change strategies, civil society activities and the encouraging of policy dialogue among all stakeholders. Efforts will be made to increase the number of strategic environmental assessments to inform country policies and strategies.

Partnership Strategy (2012)

The results framework for the Ninth Replenishment period also includes a new indicator on partnerships, as part of its assessment of the operational effectiveness of country programmes and projects.

The 2011 CLE of IFAD's Private-Sector Development and Partnership Strategy found that almost all of the country strategic opportunities programmes reviewed provided information about partnership opportunities with the private sector and there were some examples of cofinancing by the private sector at the project or component level. However, it also noted that partnerships with other development agencies in support of private-sector development were quite limited.

IFAD's strengths, weaknesses, opportunities and threats (SWOT)

The findings of IOE and the Brookings Institute, the views of external partners expressed through the partnership survey and elsewhere, a benchmarking exercise, and a series of interviews and focus group meetings conducted during the preparation of this strategy document, have together served to offer up a well-defined picture of IFAD's partnership performance. On the basis of these sources, IFAD's strengths, weaknesses, threats and opportunities (SWOT) relative to partnerships have been synthesized; and these provide an important starting point for the development of an IFAD partnership strategy rooted in institutional realities.

The SWOT analysis brings out a number of interesting points for IFAD's developing partnership strategy and provides insight into how IFAD might best proceed in order to optimize the use of its resources in partnering. At this stage it is worth highlighting two of these: IFAD's "brand awareness" and IFAD's management and monitoring of ongoing partnerships. With regard to the former, it appears that although IFAD enjoys a good reputation in many areas for its consistency and long term vision, there are still problems in distinguishing the value of working with IFAD rather than other development agencies. In a context of growing competition between funding agencies, there will be a premium on IFAD's ability to develop a distinctive vision of the value it offers and to communicate this to its potential partners. The latter issue – of managing and monitoring partnerships – requires a change both of mind-set and of systemic practice. Attitudinally, IFAD needs to maintain a focus on the partnerships it establishes, recognize the value of learning from past and current partnerships and share learning more freely within the organization. Systemically, monitoring and review need to be more proactive and to be seen as an integral part of managing ongoing partnerships so that they are able to evolve and prosper.

Partnerships to serve strategic priorities. At the highest level, partnerships must serve to support the achievement of IFAD's overall strategic goal: enabling poor rural people to improve their food security and nutrition raise their incomes and strengthen their resilience. More specifically, they must support the corporate strategic priorities that are expected to contribute to the achievement of the goal, and are reflected through a series of organizational level results – corporate management results (CMRs). There are currently 10 such CMRs. Defining partnerships in this way provides strategic guidance to IFAD's partnership work and ensures that it is focused on what the organization has already determined are its highest priorities; it provides a framework for monitoring partnership efforts and, at the same, it reinforces the coherence of, and linkages between, different corporate strategies and tools.