IFAD

Investing in rural people

IFAD Management response to the evaluation synthesis on non-lending activities in the context of South-South cooperation

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For: Review

1.   **Introduction.** IFAD Management appreciates IOE's evaluation synthesis report (ESR) on non-lending activities in the context of South-South cooperation. The report addresses a topic of increasing importance for IFAD. Indeed, at the moment IFAD is actively seeking to further strengthen its corporate architecture and activities for supporting South-South and triangular cooperation (SSTC).

2.   Management welcomes the report's finding that, to date, the Fund's knowledge sharing efforts in the context of South-South cooperation have "indeed demonstrated the strengths of IFAD in supporting peer learning…generating what [are] considered…good practices and successes in a number of cases". Management also appreciates the finding that acknowledges IFAD's recent efforts to experiment with new modalities for responding to the diversified needs of its Membership.

3.   The report highlights opportunities for: improving results orientation in the planning and monitoring of non-lending activities, deepening collaboration among the Rome-based agencies (RBAs) and continuing experimentation with more diverse and alternative forms of support for SSC. These findings are timely and well-taken.

4.   Management recognizes the importance of SSTC for middle-income countries (MICs), which has been emphasized in the ESR. However, the report does not give equal importance to the effectiveness of SSTC as an instrument for rural transformation in low-income countries. Apart from enabling low-income countries to learn from the progress made by MICs, SSTC allows them to share pertinent experience, technology and lessons among themselves, given the similarity of their policy and institutional environments.

5.   **ESR recommendations and next steps.** Management broadly agrees with the recommendations of the report and is already carrying out work in the direction proposed (the table below contains Management's response to each of the five recommendations).

6.   As reflected in the responses to the recommendations, during 2016-2018, IFAD will continue to focus on mainstreaming SSTC activities across its operations. Building on the groundwork laid during the IFAD9 period, the Fund will pursue several concrete objectives. First, the unit created in the Global Engagement, Knowledge and Strategy Division (GKS) to coordinate IFAD's SSTC activities will be reinforced, not only through added capacity, but also through an increased and better defined focus on interdepartmental collaboration.

7.   Second, internal mechanisms for ensuring tracking and coordinated application of SSTC across IFAD operations will be strengthened. This includes recent modifications to the template for country strategic opportunities programmes (COSOPs), and going forward will include greater involvement in project and grant preparation processes and the refinement, finalization and roll-out of an SSTC tracking approach that was piloted during IFAD9.

8.   Third, an overarching conceptual framework for unifying past – and delivering future – SSTC activities will be formulated. Specifically, the Fund will pursue the creation of a mechanism to catalogue and share IFAD (and other relevant) experiences and knowledge in SSTC, which will serve as a platform for disseminating rural development solutions and, eventually, for brokering new public and private partnerships.

9.   During the IFAD10 period, the Fund will draw upon an unrestricted complementary contribution of US$5 million pledged by the Government of the People's Republic of China under IFAD10 for promoting South-South cooperation. It is expected that these initial funds will serve as seed money for catalysing compelling SSTC activities in several regions. During IFAD10 and beyond, it is envisioned that this funding could be leveraged to attract additional financing (from IFAD as well from other sources) to support the Fund's work in this area.

Management response to IOE recommendations from the ESR on SSTC

IOE recommendation	IFAD Management response
1. Provide conceptual clarity and practical guidance at corporate level for IFAD's support to SSC.	The recommendation might have been applicable if one considers the entire period covered by the ESR; however, in recent years, enhanced efforts have been made to provide conceptual clarity and practical guidance: • The conceptual clarity of IFAD's approach has been articulated in agreement with Member States and is captured in the final Report of the Consultation on the Tenth Replenishment of IFAD's Resources (see paragraphs 50-51, document GC38/L.4/Rev.1). • Conceptual clarity and practical guidance are also provided through IFAD's Strategic Framework 2016-2025, approved in December 2015, in which SSTC is defined as one of the "pillars of IFAD's results delivery". • The Global Engagement, Knowledge and Strategy Division (GKS) is currently developing a mechanism aimed at identifying, cataloguing and sharing rural development solutions across countries and regions and will prepare a document outlining the overall conceptual and practical approach once finalized. • Guidance is also provided on a rolling basis in the context of the quality assurance process and the Operational Strategy and Policy Guidance Committee, where all new COSOPs and project design documents are reviewed.
2. Better mainstream SSC into country programming through a structured approach.	• Management will continue to strengthen SSTC mainstreaming efforts through structured approaches including: revisions to corporate processes (the COSOP template, input into country programme and project design processes) and an overarching corporate approach for facilitating South-South cooperation.
3. Systematically build up a catalogue of rural development solutions and provide a platform to make them accessible.	• Management will pursue this recommendation as an element of its approach to SSTC during the IFAD10 period.
4. Give consideration to greater in-house coordination arrangements and interdivisional collaboration.	• In April 2016, the Strategy and Knowledge Department completed a thorough internal review, and SSTC was incorporated as a key stream of work in GKS. • The SSTC team in GKS is being strengthened, reflecting the importance devoted to the topic by Management. GKS's role is to work with the Programme Management Department and others, inter alia, in order to facilitate and coordinate SSTC activities, document and improve access to solutions, and monitor and report on achievements. • Working along these lines, GKS will spearhead the creation of an interdepartmental working group for coordinating IFAD's SSTC activities.
5. Continue pursuing opportunities to collaborate with the RBAs in a practical manner at corporate and country levels.	• Cooperation with RBAs generally, and on SSTC in particular, has been a priority for some time. In this regard, Management prepared a Board document on its collaboration with RBAs in December 2015, which underlined cooperation on SSTC as a priority.* • Management is actively looking for opportunities to work with the RBAs on SSTC. One concrete example is the planned joint China-RBA round table on 4 June 2016. Management is committed to working with the RBAs on SSTC, both at the corporate and country levels.

* Collaboration among the United Nations Rome-based agencies: Establishing a baseline and charting the way
  forward (EB 2015/116/R.28/Rev.1).

10. Selection of ESR topics. The IOE approach paper on the ESR underlines that
     "findings in existing IOE evaluations generated from the 'SSTC angle' are not
     abundant", and the final report notes that the "findings in existing evaluations on the
     ESR topics were found rather thin and insufficient to reflect upon the key guiding
     questions".

11. IFAD Management recognizes that the request for the ESR on SSTC was made by
     Member States in the context of the IFAD10 Consultation and was thereafter included
     in the 2015 IOE work programme approved by the Board. However, moving forward
     and taking into account the above consideration, Management encourages IOE to
     select topics for future ESRs based on the parameters contained in IOE's selectivity
     framework, in particular the "availability of adequate evaluative evidence by IOE".
     This would ensure that the limited resources devoted to ESRs generate the required
     insights for collective reflection and debate.

12. Scope, methodology and process. Management notes the report's intent to focus primarily on IFAD's non-lending (grant-funded) activities. While this investigation has yielded useful insights and conclusions, opportunities have been missed to consider in greater detail the Fund's main operational instrument: lending-based activities (the report reviewed two initiatives under two loan-financed projects). In fact, through lending and grant-financing activities, the Fund's projects and country partners have benefited from using peer-to-peer exchanges of knowledge, technology and know-how to improve agricultural productivity, broaden access to market information, enhance policies and increase community participation in local development. In some cases, peer-to-peer exchanges have also led to business partnerships, areas traditionally outside the scope IFAD's core business.

13. With regard to the conclusions and recommendations contained in the final ESR report, Management has the following two methodological observations: (i) the storyline and conclusions are largely consistent with the findings in the main report, yet they contain a number of recommendations (e.g. in paragraphs 159-160, 170, etc.). In future reports, it would be preferable for conclusions to be disentangled from recommendations; and (ii) as underlined in the second edition of the Evaluation Manual, all reports should clearly illustrate the evidence trail for evaluation recommendations. This is particularly important in the ESR on SSTC, given some recommendations (e.g. recommendation 4) are not clearly anchored in the conclusions of the report, and some important conclusions (e.g. on weaknesses in monitoring SSTC) are not followed up by a recommendation.

14. The preparation of the ESR involved wide-ranging consultation with IFAD Management and staff and also with individuals and institutions outside IFAD. However, this Management response does not include an appreciation of the ESR's overview, given that the latter was prepared after Management had provided its comments to IOE on the draft ESR main report (which did not contain an overview). In the future, Management would appreciate receiving a full set of final documentation for all evaluation reports (inclusive of overviews/executive summaries) to facilitate the preparation of its final written response.

15. Recommendations in ESRs. Management invites the Evaluation Committee and Executive Board to reconsider the need for recommendations in ESRs. This would be consistent with the learning characteristic of ESRs[1] – the only IOE product that focuses mainly on learning – as agreed with the Board when the latter adopted the IFAD Evaluation Policy in 2011.

16. There are at least three reasons for this suggestion: (i) it would allow Management to focus its finite human and financial resources on full and timely implementation of the wealth of recommendations contained in the evaluations produced annually by IOE, namely one corporate-level evaluation, five country programme evaluations and 10 project performance evaluations; (ii) ESRs are meta evaluations of existing evaluations. As such, recommendations in ESRs often duplicate recommendations that have already been conveyed to Management in the context of the individual evaluations used as a basis for preparing ESRs; and (iii) given the corporate-wide and thematic nature of ESRs, experience has shown that it is difficult to operationalize ESR recommendations in the context of COSOPs and project designs.

17. Finally, eliminating recommendations from ESRs would further align IFAD's independent evaluation function with the practice in most other United Nations organizations and international financial institutions, including the synthesis reports prepared by the Evaluation Cooperation Group of the multilateral development banks.

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[1] "The main aim of such synthesis is to facilitate learning and use of evaluation findings by identifying and capturing accumulated knowledge on common themes and findings across a variety of situations" (IFAD Evaluation Policy, EB 2011/102/R.7/Rev.1).