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Investing in rural people

Comments of the Independent Office of Evaluation of IFAD on the IFAD strategy for engagement in countries with fragile situations

Note to Evaluation Committee members

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Note to Executive Board representatives

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Executive Board — 119th session
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For: Review

Comments of the Independent Office of Evaluation of IFAD on the IFAD strategy for engagement in countries with fragile situations

General comments

1. The Independent Office of Evaluation of IFAD (IOE) welcomes the IFAD strategy for engagement in countries with fragile situations, to be presented to the Executive Board in December 2016. The strategy builds upon an earlier approach paper presented by IFAD Management to the Board in April 2016 and draws upon the Corporate-level evaluation of IFAD's engagement in fragile and conflict-affected states and situations, presented to the Board by IOE in April 2015. This strategy is one of the commitments made by IFAD to Member States for the Tenth Replenishment of IFAD's Resources (IFAD10) period.
2. Management estimates that between IFAD8 and IFAD10 the share of IFAD financing to states with fragile situations fluctuated between 45 and 52 per cent of total IFAD financing (EC 2016/94/W.P.4, appendix IV, table 1) which illustrates the importance of this topic for the Fund.
3. The strategy addresses the main recommendation areas of the corporate-level evaluation (CLE) mentioned above, notably: (i) policy and strategy; (ii) project and programme design; (iii) project and programme implementation; (iv) empowerment of staff; and (v) results measurement.
4. As noted in the IOE comments on the approach paper presented to the Board in April 2016, the new definition of fragility is a positive step forward. This definition stresses the notion of vulnerability, the potential link to conflict, weak governance and institutions, and the specific implications for food security and agriculture, which are highly relevant to IFAD's mandate.
5. Similarly, the introduction of an IFAD-specific classification of fragility and a narrower list of 31 countries with the "most fragile situations" is an improvement on the past practice of compiling a long list of countries drawn from the classifications of other organizations. The above CLE found that such practice generated a highly heterogeneous group of countries with limited analytical and operational value added.
6. The strategy underlines the importance of analysing the context and the causes of fragility in country strategic opportunities programmes (COSOPs) and country strategy notes, as well as in project design. The strategy links the analysis of fragility with a focus on "trust-building institutions" such as farmers' and indigenous peoples' organizations, women's associations and other community-level and government-level institutions. The twin focus on state institutions and on grass-roots organizations (an entry point for many IFAD-funded projects) builds upon IFAD's experience and strengths. It would have been useful to mention specifically local governance, given that the sources of fragility may be localized rather than spread over the entire country (see further observations below on this point).
7. In line with the above CLE, the new strategy underlines the connection between fragility, gender mainstreaming and targeting. The strategy recognizes that women are particularly exposed to fragility and are at higher risk of gender-based violence, crime and abuse. It proposes partnerships with inclusive institutions that can enhance state legitimacy, foster security and unlock women's potential. Past evaluations, such as the recent country programme evaluation in India, have documented positive experiences from IFAD's projects in these domains on which it will be important to capitalize.

8. An “iterative” strategy. There is no doubt that dealing with fragility will require IFAD’s follow-up not only in designing and managing country programmes and projects but also in rearranging internal procedures, reallocating financial resources and revising aspects of IFAD’s business model, including decentralization. Reference is made to these in the strategy, albeit in general terms and not always with a clear direction. The strategy is likely to generate iterative effects for other corporate policies and processes, such as work programme and budget preparation. These may entail some revision to the strategy. The following section identifies major areas that require further attention or where focus needs to be sharpened in the future.

Key aspects requiring attention

9. Attention to subnational sources of fragility is inadequate. The strategy introduces a more comprehensive definition of fragility – “a condition of high vulnerability to natural and man-made shocks, often associated with an elevated risk of violence and conflict” – and a narrower classification of fragile countries. However, it does not give sufficient attention to fragility at the subnational level. Even in countries that do not match the definition at the national level, localized situations of fragility may exist that significantly affect IFAD-funded interventions. It would have been important to acknowledge this consideration and clarify to what extent the strategy addresses these situations and identify the measures foreseen. A key question is whether the guiding principles (para. 17) and resource mobilization (paras. 33-40) will be applied to subnational situations of fragility in countries that do not belong to the list of the 31 with the “most fragile situations”.
10. Likewise, while the review of the approaches of other international organizations (e.g. Organisation for Economic Co-operation and Development, World Bank and African Development Bank) presented in the strategy is useful, it would have been helpful to include information about the Asian Development Bank as their approaches were reviewed in the context of the CLE and provided relevant material on subnational conflicts that had occurred in the region.
11. Strengthening linkages with existing and forthcoming IFAD strategies, policies and processes. Given that the document provides a broad orientation, implementation will largely rely on other IFAD-wide policies, strategies and processes. It may therefore have a cascading effect on such policies and processes (i.e. requiring an update or revision). While the strategy mentions the role of the Working Group on the Performance-Based Allocation System (PBAS), it would have been important to identify other IFAD policies and strategies (e.g. the Partnership Strategy and the Supervision and implementation support policy, and also the corporate decentralization plan to be presented to the Executive Board in December 2016) or procedures (e.g. country strategic opportunities programme guidelines and project design guidelines) that may be affected or need to be reviewed after the approval of this strategy.
12. Similarly, the strategy will have to be reflected in IFAD’s medium-term plan and the preparation of the work programme and budget. These aspects could have been presented in a more structured manner in the strategy document. Conversely, once the revised PBAS or the new corporate decentralization plan have been approved, a revision of the strategy may be required.
13. Operationalizing the guiding principles. While the guiding principles identify areas of importance for dealing with fragility situations, it would have been helpful to explain better how IFAD intends to operationalize them. For instance, the document rightly mentions “flexible and responsive resources, instruments and approaches” (para. 17 (v)), but does not elaborate further. These could have been succinctly outlined in the main document and developed in an appendix.
14. By the same token, the document mentions “strategic and complementary partnerships” (para. 17 (vi)) but provides little guidance on how to inform future

COSOP and project design. In addition, while the strategy quotes the rural sector performance score as a criterion for determining the list of countries with “most fragile situations”, it could have discussed ways of making better use of the rural sector performance assessment process as an approach to enhancing the orientation towards fragility.

15. Monitoring and assessing results. The proposed strategy states that IFAD will explore options to develop “monitoring and evaluation (M&E) processes and impact assessment methodologies that are simple and cost-effective yet capable of capturing coherent data on results” (para. 17(vii)). While such recognition is pertinent, the CLE noted that, according to IFAD documentation, M&E systems were underperforming and showed no clear signs of improvement. Thus, the institutional track record in M&E has been traditionally weak, even in the non-fragile context. Fragile situations may pose additional challenges; for example, M&E systems may need to: (i) incorporate specific indicators dedicated to fragility (including geographic referencing, as required); (ii) be able to provide feedback in a relatively short amount of time; and (iii) be based on “non-invasive” data collection techniques so as to reduce the exposure of project staff and beneficiaries to risks. Consequently, M&E systems for fragile contexts will require special attention and efforts from IFAD Management.

Concluding remarks

16. IOE appreciates IFAD Management’s efforts to prepare a strategy for engagement in fragile situations. Attention to fragility is justified by the high proportion of IFAD financing approved for Member States classified as having a situation of fragility. IOE encourages Management to take the above comments into consideration in future work and remains available for further discussion. In view of the iterative nature of the strategy, it may be advisable to establish an initial implementation period after which the strategy and any related policies and processes would be updated and revised with the oversight of the Executive Board.