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IFAD Management response to the evaluation synthesis report on smallholder access to markets

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For: Review

IFAD Management response to the evaluation synthesis report on smallholder access to markets

1. Management is pleased to note that the IFAD portfolio has been shifting increasingly towards more market-driven interventions without losing certain IFAD trademarks such as the involvement and empowerment of local actors. This seems to be validated by the increasing percentage of projects with value chain and public-private-partnership approaches. Moreover, the achievements of market-oriented interventions appear to be increasing.
2. Management is also pleased to note that although smallholder access to market (SAM) interventions must operate with considerable flexibility and timeliness to promptly respond to market signals, the evaluation synthesis report (ESR) confirms that IFAD is getting progressively better at reading, designing and supporting the implementation of SAM programmes.
3. Methodology. Management notes that the ESR has included information from external research and sources, drawing on more than 25 external publications, reports and articles. This is a welcome development that enhances an ESR particularly where internal evaluative evidence is not sufficient.
4. However, the scope of the exercise for learning purposes is limited by the ESR methodology, which does not allow for assessment of the causal relationship among variables. The ESR was prepared on the basis of the "materiality analysis" methodology developed by the Global Reporting Initiative (GRI), which has become the global standard for organizational sustainability reporting. However, this methodology does not provide any causal explanation, which is potentially an obstacle to drawing meaningful conclusions from the ESR.
5. Learning. Management believes that another gap in the report is its silence on the need for institutional learning within IFAD for programmes of this type, nor is there any reference to the need for country sensitization/learning and the potential benefits for the next generation of market support programmes. In this regard, some countries' experiences would have much to contribute to such institutional learning.

Recommendations

6. Management takes note of the three recommendations of the ESR. They reflect actions and approaches already ongoing or in place, to which Management is committed. However, Management believes that the recommendations could have been more strategic and have added value beyond the recommendations already contained in the reports on which the ESR is based.
7. Detailed views on each set of recommendation are presented below:
 - (a) Recommendation 1: Invest in improving SAM programme design with due attention to market dynamics.

Agreed. With the increasing percentage of IFAD-funded projects adopting a value chain approach, the design process has become more rigorous in terms of ex ante analysis (e.g. market assessment, value chain mapping and analysis including institutional, regulatory and environmental issues). Mechanisms have also been set up to facilitate engagement among key public and private actors and to build their capacity during implementation in order to respond to a changing context. In particular, with the public-private-producer partnership mechanism, IFAD is promoting a more direct partnership between private companies and farmers' organizations through the

elaboration of business plans and the use of public resources to leverage private investments.

- (b) Recommendation 2: Develop programme activities tailored to the needs of specific groups, taking into consideration the risks that they face.

Agreed. As reflected in IFAD policies and technical notes, understanding the needs and abilities of the target groups and their potential to be sustainably involved in certain market-based dynamics is a key element of IFAD's approach. That is why significant attention is given to less structured local, intermediate and national markets whose entry barriers are typically lower for certain categories of the target group. IFAD is also aware of the need to reconcile commodity-based market-driven approaches with food security and nutritional aspects at the household level, depending on the needs and risks faced by different groups or communities.

- (c) Recommendation 3: Ensure that programme monitoring and evaluation systems have well-defined and operational food security, nutrition and market access indicators.

Agreed. The call for more precise and careful monitoring and evaluation systems is not new and is aligned with ongoing efforts. Management has initiated a series of actions to enhance the self-evaluation system – including provisions to ensure improved logical frameworks with SMARTer¹ output and outcome indicators – that will address this recommendation.

However, while Management agrees with the principle of the recommendation, the point about the need to “distinguish between sources of food security and nutritional improvements (e.g. sources of income and food, nutritional values) as a means to establish programme effectiveness and impact” is not fully clear. Given the lack of clarity, despite the clarifications requested in Management's consolidated comments to the draft ESR, Management cannot agree with the recommended sub-action.

¹ Specific, measurable, attainable, realistic and timely.