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Original: English

REPL.VI/1/R.3
Agenda Item 4

12 February 2002
English



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Consultation on the Sixth Replenishment of IFAD Resources – First Session
Rome, 21 February 2002

PROGRESS REPORT ON THE IFAD V: PLAN OF ACTION (2000-2002)

Document #: 226124
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PROGRESS REPORT ON THE IFAD V: PLAN OF ACTION (2000-2002)

A. INTRODUCTION

1. At its Twenty-Fourth Session in February 2001, the Governing Council approved document GC 24/L.3, Partnerships for Eradicating Rural Poverty – Report of the Consultation to Review the Adequacy of the Resources Available to IFAD 2000-2002. The document contained a plan of action that outlined the key recommendations of the Consultation for implementation by IFAD over the period 2000-2002. It required that progress on implementation of the plan “...be reported periodically to the Executive Board starting in September 2000 and annually to the Governing Council”.

2. This progress report serves to update the Executive Board on the implementation status of the Plan of Action. The highlights of implementation progress, as well as challenges and constraints, are summarized in the following paragraphs. More detailed and exhaustive information is presented in tabular form in the Annex.

II. HIGHLIGHTS OF IMPLEMENTATION PROGRESS

3. The Consultation report acknowledged that IFAD’s main comparative advantage “...lies in identifying, testing and promoting more effective approaches to rural poverty eradication...”. Based on such a comparative advantage, the Fund has four major roles in catalysing and transferring resources (quoted from paragraph 12):

- “• **As an innovator** in the development of effective rural poverty-eradication instruments, models and know-how at the grass-roots level, IFAD seeks new and effective ways to address the constraints faced by its beneficiaries in a diversity of local contexts. In so doing, it consolidates, refines and enhances its ‘intellectual capital’.
- **As a knowledge institution**, IFAD builds on its role as an innovator through a process of mutual learning and lesson-sharing with other stakeholders active in this field.
- **As a catalyst**, IFAD extends the outreach of its poverty-eradication efforts through strategic partnerships with other donors, governments, non-governmental organizations (NGOs) and civil-society organizations working with the poor at the grass-roots level. Such partnerships also build on cross-fertilization of ideas and approaches, taking into account the programmes and efforts of other donors. The Fund’s catalytic role also implies facilitating the replication and scaling up of national and local initiatives, as well as influencing policy and practices in favour of the poor.
- **As a leader** in effective, sustainable poverty-alleviation strategies, IFAD demonstrates its achievements qualitatively and quantitatively.”

4. The Fund’s comparative advantage will be enhanced, and its roles reinforced, through implementation of the Plan of Action. During 2000-2001, concrete actions have been taken, with a focus on developing the basic conceptual, methodological and procedural framework for sharpening the profile of IFAD and enhancing the quality of its work. In the following paragraphs, highlights of progress on the various, partly overlapping recommendations of the plan have been grouped into four ‘building blocks’: (i) policy and participation, (ii) performance and impact, (iii) innovation and knowledge management, and (iv) partnership-building. These elements are called building blocks because they are interdependent and mutually reinforcing. They encompass the Fund’s central



business – rural poverty alleviation through agricultural and rural development supported by loans and grants.

Policy and participation (recommendations A (I) (iii) (iv), B (ii))

5. IFAD has increased its emphasis on influencing policies in favour of the poor and on promoting institutions that serve and represent the rural poor. As an institutional endeavour, and with the aim of putting policy-related work on a more systematic and monitored basis, the Fund established an interdepartmental working group to develop guidelines for policy/institutional analysis and dialogue. Cases were analysed in which IFAD has successfully influenced policies and institutions in favour of the rural poor. Based on experience gained in IFAD operations (loans and grants), a conceptual framework for institutional analysis and policy dialogue has been developed.

6. Projects have traditionally been IFAD's main platform for policy dialogue, and continuous efforts are being made to enhance the policy orientation of IFAD-financed projects/programmes. The main themes of policy dialogue have been rural finance, decentralization and community-based development, service delivery, land tenure, and management of natural resources (especially water and rangelands). This dialogue has been reinforced by the country strategic opportunities paper (COSOP) process, which has increasingly been undertaken with reality-check workshops and for a involving all stakeholders and beneficiaries in the process. Steps have been taken to strengthen collaboration with other international financial institutions in the assessment of policy and institutional environments, notably with the World Bank in the context of developing poverty-reduction strategy papers (PRSPs). At the same time, special studies and workshops have been used to promote pro-poor policies. In Nepal, for example, IFAD funded a study by the non-governmental organization (NGO) SAPPROS on hill options for service delivery. In an IFAD-supported, multi-stakeholder workshop in August 2001, the Government agreed to adopt the study's major recommendations as a new policy for improving the livelihood of the poor in the mountainous areas of Nepal.

7. Further concrete actions are needed. In particular, staff capacity for policy and institutional analysis can only be strengthened through appropriate training. Partnerships and networking with relevant institutions in policy analysis also need to be strengthened.

Performance and impact (recommendations A(iv), B (I) (iii) (v) (vi), D (ii))

8. Considerable efforts have been devoted to pursuing the recommendations on enhanced performance and impact. In 2001, a joint working group of the Programme Management Department and the Office of Evaluation and Studies intensively reviewed the need and possibilities for increased "impact achievement through the project cycle". As a final result, in June 2001 a unified project design document and key file was introduced. The latter comprised, *inter alia*, tables on the logical framework (logframe), poverty and target-group diagnoses; analytical and institutional diagnosis of project partners, linked to a matrix of stakeholder roles; and a summary of other donor operations and partnerships in the project zone. Initial feedback from staff and mission members on the unified design document and key file has been very positive.

9. A draft proposal on a framework for impact assessment has been worked out, based on an initial survey carried out by all divisions of the Programme Management Department. This methodological framework is expected to establish linkages to the Millennium Development Targets and to reflect the harmonization of evaluation criteria that was called for by the Development Assistant Committee and the Evaluation Cooperation Group of the multilateral development banks. A practical guide for the monitoring and evaluation of rural development projects has been drafted and reviewed in a workshop with project managers and national and international partners (30-31 October 2001).



10. The cross-cutting issues of environment, household food security and gender continue to be mainstreamed in operations. As a concrete example, anthropometric measures of malnutrition and gender-disaggregated indicators have been introduced on a pilot basis to monitor project impact. The usefulness of the anthropometric measures has been further confirmed by a recent workshop organized by IFAD (Fiuggi, 19-20 September 2001), with participants from governments, research institutions, and bilateral and multilateral institutions.

11. The periodic project portfolio review has sharpened its focus on the assessment of performance, facilitated by the adoption of a refined project status report and a newly-developed country-portfolio issues sheet. New guidelines focusing on impact assessment have been introduced for the project completion report.

12. One work priority for the next year or two is the continued promotion of an impact-oriented approach by IFAD and its implementation partners throughout the project cycle – aided by the technical assistance grant (TAG) approved by the Executive Board in May 2000. Other priorities are: training of staff and IFAD project managers in approaches to impact enhancement; development of operational guidelines for impact assessment; and customization for the different regions of the practical guide for the monitoring and evaluation of rural development projects.

Innovation and knowledge management (recommendation B (iv))

13. A Knowledge-Management Facilitation and Support Unit has been established and a knowledge-management strategy is in preparation. Four thematic groups are operational on the specific themes of diagnostic tools, rangeland management, rural microenterprise and rural finance. Knowledge management on gender-related issues has resulted in the establishment of a pilot knowledge base – Gender and Household Food Security – on IFAD's website. An assessment has been conducted of IFAD's capacity for innovation. Its preliminary findings identify IFAD's role as one of recognizing good innovations, adapting them further through field application and expansion, and catalysing replication and scaling up by other partners.

14. Even once the knowledge-management strategy is finalized, there will still be a need to define and elaborate the focal themes of knowledge generation and dissemination, internal organizational responsibilities, and work programme and budget. In addition, the strategy and budgetary allocations for knowledge management must be harmonized with those for impact management, policy development and partnership-building.

Partnership-building (recommendations A(ii), B(vii), C(I))

15. Strategic partnership-building has been pursued in a variety of forms, ranging from the project level to country and international levels. In several countries, IFAD has taken part, in line with resource availability, in multi-stakeholder partnerships, including the United Nations Development Assistance Framework (UNDAF), the Comprehensive Development Framework (CDF) and PRSPs. However, the CDF appears to be somewhat uncertain, in view of the fact that in many countries (including those not covered by the Debt Initiative for Highly Indebted Poor Countries) coordination efforts are related to the PRSP process.

16. The most recent efforts to strengthen IFAD's strategic partnership with the World Bank have focused on policy dialogue/advocacy and country-specific operations. A new IFAD/World Bank partnership initiative has been discussed at the senior management level. The potential for partnerships has been constantly explored with other actors, including governments, NGOs, and bilateral and multilateral agencies. With regard to the private sector, pilot projects have been designed



with commercial banks to support microfinance institutions, and with international companies to provide integrated-pest-management services under IFAD-funded projects.

III. CHALLENGES AHEAD

17. Building on the progress made during 2000-2001, 2002 is expected to be the year of mainstreaming and consolidation. While much has been achieved, major challenges and constraints are foreseeable in the implementation of the Plan of Action.

18. A major task with regard to policy and participation is to train country portfolio managers to conceive of impact and the sustainability of country programmes and projects in terms of the creation of a pro-poor institutional environment. For performance and impact, there is a need to create demand for effective, monitored operations on the part of in-country stakeholders, especially beneficiaries; to mobilize skills and resources to allow more emphasis on project implementation, supervision and evaluation; and to articulate clear, measurable linkages with global development targets. For innovation and knowledge management, the primary challenge is to generate and disseminate knowledge – and enhance lesson-sharing – by and for the poor and their organizations. In all these areas, as well as in terms of partnership-building, IFAD's insufficient field presence forms a major bottleneck.

19. Lack of human and financial resources is a major constraint on implementation of the Plan of Action. All the plan implementation initiatives to date have been undertaken without additional staff, which inevitably leads to overstressing human capacity. While staff are generally willing to take on new challenges and responsibilities, frustration has emerged from the fact that they are not provided with the necessary means to do so. With a number of key actions called for in the plan, the real issue is not so much the delivery of the required papers and documents, but the continuous, consistent pursuit of implementation on a sustainable basis.

**IFAD V: PLAN OF ACTION (2000-2002)
IMPLEMENTATION PROGRESS – OCTOBER 2001**

Recommendation	Action	Target Date	Output/Results	Progress Achieved	Further Actions/ Implications
<p>A. General Policy Objectives</p> <p>(i) Ensure that COSOPs bring out the national and sectoral policy issues relevant to programme success, with conclusions on project proposals reflecting such analysis (paragraphs 20, 23-26).</p> <hr/> <p>(ii) Adopt an approach that harmonizes with the CDF and UNDAF, bearing in mind IFAD's specific mandate, and ensure that the national policy and institutional environment in prospective recipient countries is taken fully into account in deciding the level and form of assistance (paragraphs 19, 23-24).</p>	<ul style="list-style-type: none"> • Secretariat to produce a prototype COSOP reflecting the relevant recommendations of the Consultation, especially A(i), (iii), (iv), (v) and C(ii). <hr/> <ul style="list-style-type: none"> • Take steps to participate in UNDAF and the pilot CDF, within the framework of national priorities and policies, in selected countries. • Strengthen linkages in this process with the World Bank and other international financial institutions (IFIs) to ensure dialogue and collaboration in assessment of national policies and institutional environments and their implications. • Assist recipient countries in the design of PRSPs, when requested by the country concerned. • See also actions related to B(v) and C(i). 	<p>December 2000</p> <hr/> <p>Ongoing approach</p> <hr/> <p>Ongoing approach</p>	<p>(a) More comprehensive analysis of enabling policy environment to improve prospects of programme and project success.</p> <p>(b) Over the next three years, gradual achievement of effective linkage between COSOPs and programming with UNDAF and CDF (in selected countries).</p> <p>(c) Complementary to this, increased impact on poverty through participation in the design of poverty-reduction strategies with recipient countries.</p>	<ul style="list-style-type: none"> • Prototype COSOP (Yemen) produced, and reviewed by Executive Board in a September 2000 seminar. • Seminar on COSOP procedures held; pilot procedures approved by Board in December 2000. • Agreement reached with Board on structure/contents of COSOPs to reflect recommendations of the Plan of Action. • Two COSOPs (India & Mozambique) presented for Board consideration. <hr/> <ul style="list-style-type: none"> • Participation in UNDAF and CDF in ten countries initiated. • Increased efforts made to strengthen strategic partnerships with World Bank, with focus on policy dialogue/advocacy and country-specific operations (e.g. Bangladesh, El Salvador, Nigeria, Yemen, etc.). • A new IFAD/World Bank partnership initiative initiated and reviewed by both institutions at senior management level. • Participation in PRSPs underway or planned for 10 African, 4 Asian, 2 Latin American and 4 Near East and North African countries. 	<ul style="list-style-type: none"> - Apply format to all COSOPs from 2001 onward. <hr/> <ul style="list-style-type: none"> - Clarify human and financial resources. - Build staff capacity for policy dialogue. - Mobilize high-level consultant support in the short term. - Secure supplementary funding of PRSP support. <p>(uncertainty on the future of CDF)</p>

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IMPLEMENTATION PROGRESS – OCTOBER 2001**

Recommendation	Action	Target Date	Output/Results	Progress Achieved	Further Actions/ Implications
<p>(iii) Ensure, in collaboration with the relevant government agencies, the fullest participation by prospective beneficiaries and other stakeholders in project design and implementation (paragraphs 23 and 24).</p>	<ul style="list-style-type: none"> Enhance the allocation of resources to local capacity-building aimed at fostering the participation of the people and their associations. Increase the exchange of experience with other agencies and stakeholders, including local communities, in order to enhance knowledge of various approaches to effective participation of beneficiaries in project design and implementation. Assess the conduciveness of institutional frameworks to participation and take into account the outcome of such assessment in project design, implementation, supervision and dialogue with governments. 	<p>April 2001 onward</p> <p>Ongoing approach</p> <p>Ongoing approach</p>	<p>(a) Increase in the extent of beneficiary and stakeholder participation, with projects that are better managed and that respond better to beneficiary and stakeholder needs and sense of ownership.</p>	<ul style="list-style-type: none"> Recommendation pursued via support for beneficiary participation in design/implementation/monitoring of all new projects (e.g. participatory rural appraisals, stakeholder and beneficiary consultation workshops, needs assessment, representation of beneficiaries in project bodies, etc.); promotion of grass-roots organizations to influence service delivery; support for improved market linkage, etc. Methodologies on participatory processes further developed through multi-stakeholder seminars at country and regional level, the IFAD-NGO Extended Cooperation Programme (ECP)-supported activities (e.g. Bangalore workshop with Asian NGOs, initiatives with the German Agency for Technical Cooperation in sub-Saharan Africa, ECP-funded NGO activities in Jordan and Syria, etc.). Assessment of institutional framework introduced into COSOPs, project logframe and key file. 	<p>- Mainstream refined methods.</p>
<p>(iv) Give appropriate weight to borrowers' implementation performance in determining resource allocations (paragraph 56).</p>	<ul style="list-style-type: none"> Refine the present methodology and set of common indicators used to assess project and portfolio performance. Develop a three-year rolling programme as a flexible framework that reflects, <i>inter alia</i>, the above-mentioned indicators. 	<p>September 2001</p> <p>December 2001</p>	<p>(a) Decisions on future allocations determined increasingly by performance assessment of portfolio, taking into account opportunities to address institutional weaknesses.</p>	<ul style="list-style-type: none"> Project status report refined and a country portfolio sheet developed and used to facilitate assessment of country implementation performance and decisions on country programmes within the agreed regional allocations. Three-year rolling programmes developed for all regions. 	<p>- Monitor and improve instruments for portfolio review</p>



**IFAD V: PLAN OF ACTION (2000-2002)
IMPLEMENTATION PROGRESS – OCTOBER 2001**

Recommendation	Action	Target Date	Output/Results	Progress Achieved	Further Actions/Implications
<p>B. Objectives Relating to Specific Approaches and Impact</p> <p>(i) Improve the effectiveness of the Fund's approach to the task of poverty alleviation through an intensified search for new and innovative solutions in key areas. These include the environment (with an expansion of efforts in dry zones and fragile ecosystems, where intrinsic poverty and food insecurity combine with environmental degradation); household food security; grass-roots organizations and capacity-building; rural financial services; and gender (paragraphs 12, 27-31, 35-36, 38, 44).</p>	<ul style="list-style-type: none"> • Enhance project development resources and efforts to ensure full incorporation of cross-cutting concerns such as the environment, household food security and gender into design and the supervision of implementation (see also B(vi)). • As part of the annual portfolio review, conduct analysis, based on IFAD experience and that of other donors, of major development problems and constraints in key areas and of ways in which their alleviation might be approached through IFAD interventions. 	<p>Annual reporting</p> <p>As of September 2000</p>	<p>(a) Increase in number of projects reflecting new approaches to major problems in key areas.</p> <p>(b) Evidence in project results of sustainable improvements in the livelihoods of beneficiaries.</p>	<ul style="list-style-type: none"> • Cross-cutting concerns (environment, Household Food Security (HFS) and gender) mainstreamed in operations through implementation of specific guidelines and procedures, e.g. environmental screening and scoping note, HFS and gender memory check. • Special programmes established and under implementation in all regions for strengthening gender orientation of IFAD's country-level activities. • Anthropometric measures of malnutrition and gender-disaggregated indicators introduced on a pilot basis to monitor/measure project impact (China and Morocco). • Workshop conducted (Fiuggi, 19-20 Sept. 2001) on malnutrition, and usefulness confirmed of anthropometric measures of progress made in reducing chronic malnutrition. • TAG/ECP resources used to support rural grass-roots organization and capacity-building (e.g. Jordan, etc.). • Year 2000 Progress Report on the Project Portfolio, submitted to Executive Board in April 2001, reviewed natural resource and environmental management in IFAD-supported projects. 	<p>- Review and mainstream indicators.</p>



**IFAD V: PLAN OF ACTION (2000-2002)
IMPLEMENTATION PROGRESS – OCTOBER 2001**

Recommendation	Action	Target Date	Output/Results	Progress Achieved	Further Actions/ Implications
<p>(ii) Build on the Fund's comparative advantage by enhancing its policy dialogue and analysis in relevant areas and by sharpening its focus on areas that can act as catalysts for wider application (paragraphs 12-13).</p>	<ul style="list-style-type: none"> • Undertake measures to strengthen IFAD capacity in <i>policy analysis</i>, including: <ul style="list-style-type: none"> (a) redeployment and staff training; (b) enhancement of resources for project development and implementation assistance; (c) preparation of staff guidelines for policy analysis related to areas of IFAD's comparative advantage as reflected in paragraph 20 of the Consultation report; and (d) development of partnerships and networking with relevant institutions. • Benefiting from improved policy analysis, formulate ways to strengthen <i>policy dialogue</i> in relevant areas with other donors and recipient government authorities, including through the actions described in A(I), (iii); B(iv) and C(I). 	<p>December 2000 to 2002</p> <p>Ongoing approach</p>	<p>(a) IFAD's role as a catalyst and knowledge centre enhanced and increasingly exploited by stakeholders and others involved in development.</p> <p>(b) Rural development policies improved through IFAD's influence; and in countries where IFAD operates, a policy environment beneficial to the rural poor emerging or further developed.</p> <p>(c) IFAD's capacity in policy dialogue and project design improved.</p>	<ul style="list-style-type: none"> • Interdepartmental task force on policy analysis and dialogue established, and cases analysed in which policy/ institutional issues have been successfully pursued by IFAD (e.g. decentralization, rural finance, land tenure, etc.). • Proposal prepared on conceptual framework for policy analysis and dialogue. • Regional and national rural poverty-reduction campaign conducted on the basis of regional poverty assessments and the <i>Rural Poverty Report 2001</i> (a total of 15 events planned for 2001). • Policy analysis/dialogue objectives pursued through special studies/workshops (e.g. the SAPPROS study on Hill Options for Service Delivery in Nepal). • Also see A(ii) above. 	<ul style="list-style-type: none"> - Elaborate guide for institutional analysis and policy dialogue. - Train staff, especially CPMs, in institutional analysis and policy development. - Establish project development and implementation partnership (and expand networking. - Determine resource implications.



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IMPLEMENTATION PROGRESS – OCTOBER 2001**

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(iii) Improve impact assessment (paragraph 13).	<ul style="list-style-type: none"> • Articulate linkages with global development targets. • Re-examine current practices and develop: <ul style="list-style-type: none"> (a) an improved methodological framework for impact assessment and use it consistently in <i>evaluating</i> IFAD's projects and programmes; (b) a policy and programme for <i>improved performance, sustainability and impact assessment</i> based on a participatory logframe approach. • Identify best practices and develop tools and guidelines for an effective monitoring and evaluation (M&E) system at the project level. 	<p>September 2001</p> <p>September 2001</p> <p>April 2001</p>	<p>(a) With new and improved practices agreed and in place, and with a system for regular assessment of IFAD's success in promoting innovations and their replicability, IFAD internationally recognized as a sound institution with a durable and effective impact on poverty alleviation.</p> <p>(b) IFAD's role as a centre of excellence in the field of rural poverty alleviation more widely recognized. Extent and frequency of information gathered, shared and disseminated markedly increased over the next 3-5 years.</p>	<ul style="list-style-type: none"> • Phase I (stocktaking) finalized, interim report on proposed framework produced and draft proposal ready for management review. Proposed methodology expected to establish linkages with international development targets and to reflect harmonization of evaluation criteria called for by development community. • Working Group (WG) on "Impact Achievement through the Project Cycle" established. WG report (July 2000) outlined principles for enhancing project impact. Findings discussed in an international seminar (November 2000). • Unified project design document, with key file as centrepiece, introduced in June 2001. The design document is to provide a unified format, with each phase of the design stage adding greater detail and clarity to the previous phases. The key-file tables focus on poverty and target-group diagnoses; analytical and institutional diagnosis of project partners, linked to a matrix of stakeholder roles; and a summary of other donor operations and partnerships in the project zone. • Implementation continued for regional TAG on impact achievement. • Draft practical guide prepared for the monitoring and evaluation of rural development projects. A review/validation workshop scheduled for October 2001. • New guidelines introduced for preparation of project completion report (PCR) with strengthened emphasis on impact assessment (adopted for 50% of completed projects in 2000 and for 75% in 2001). 	<ul style="list-style-type: none"> - Develop operational guidelines for impact assessment. - Train staff and project managers. - Customize practical guide for different regions. - Set up regional networks of technical assistance, service providers and knowledge-sharing in the field of M&E and impact-oriented management. - Adopt new PCR guidelines for all completed projects in 2002.



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IMPLEMENTATION PROGRESS – OCTOBER 2001**

Recommendation	Action	Target Date	Output/Results	Progress Achieved	Further Actions/ Implications
<p>(iv) Document innovative features in a standard format, and devise and implement a strategy for knowledge management and sharing lessons with other stakeholders (paragraphs 12-13, 75-76).</p>	<ul style="list-style-type: none"> • Develop methodology and evaluate IFAD's capacity as a promoter of replicable innovations in rural poverty reduction, in cooperation with other partners. • Prepare knowledge-management operational guidelines that facilitate documentation of innovations and sharing of lessons learned. 	<p>April 2001</p> <p>April 2002</p>		<ul style="list-style-type: none"> • Evaluation of NGO/ECP undertaken and a concept note on related innovation prepared. • Assessment of IFAD's capacity for innovation completed, with preliminary findings available. • Knowledge Management Facilitation and Support Unit established and development of knowledge-management (KM) strategy initiated. Four thematic groups established and operational with the following progress: (i) environmental assessment process reviewed, as part of the Diagnostic Tools; (ii) a website on rangeland management established; (iii) policy paper on rural microenterprise drafted; (iv) policy paper on rural finance approved by Executive Board in May 2000, and operational guidelines under preparation. • Gender Task Force formed; pilot IFAD-wide knowledge base on gender and HFS established on IFAD website. • Two regional electronic networks supported (ENRAP in Asia and FIDAMERICA in Latin America and the Caribbean) and one more in preparation (FIDAFRIQUE) to facilitate exchange of experience of partners and cross-institutional learning. 	<p>For KM:</p> <ul style="list-style-type: none"> - Decide on focal areas. - Ensure harmonization of strategy with those for impact management, policy development and partnership-building.



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IMPLEMENTATION PROGRESS – OCTOBER 2001**

Recommendation	Action	Target Date	Output/Results	Progress Achieved	Further Actions/ Implications
(v) Direct its programme of assistance to middle-income countries in which there are clear opportunities for innovative projects and for leveraging institutional and policy reorientation in favour of the rural poor, together with mobilization of more domestic resources (paragraphs 59-61).	<ul style="list-style-type: none"> Identify and focus on opportunities for innovative projects and on leveraging potential in middle-income countries through COSOPs and project documents. Success to be monitored through the evaluation process. 	Ongoing approach	(a) Over the 2000-2002 period, IFAD's programme in middle-income countries concentrated on innovative approaches and on greater leverage, both in resources and policy development.	<ul style="list-style-type: none"> Reorientation of assistance to middle-income countries continued through COSOP and inception processes, with increased efforts regarding leverage in domestic resources and policy development (e.g. Lebanon). 	
(vi) Use grant resources to further the core objectives of the Fund, in particular promoting innovative policy and initiatives, institutional solutions, technological improvements and knowledge-sharing (paragraphs 64-66).	<ul style="list-style-type: none"> Articulate a grant policy and strategy to sharpen the focus of grant-resource utilization. <ul style="list-style-type: none"> (a) Develop a programme development and implementation facility (PDIF) for presentation to the Executive Board. (b) Present a general policy and strategy for grants to the Executive Board. Report on progress triennially. 	September 2000 In consultation with the Executive Board	(a) Refined policy agreed on for use of grant resources to further the core objectives of the Fund.	<ul style="list-style-type: none"> Seminar on PDIF concept (now referred to as programme development and implementation facility (PDFF) held in September 2000. PDFF framework presented to and approved for 2001 by Executive Board in December 2000. Elaboration of operational guidelines/procedures underway. 	- Develop grant policy/strategy paper for consideration by Executive Board.
(vii) Explore the scope for increasing the financing available from non-donor resources.	<ul style="list-style-type: none"> Use current-year income flexibility for commitment purposes. Analyse the scope (benefits, costs and risks) for increasing the volume of non-donor resources, including loan charges, interest rates and investment income. Present papers to the Executive Board. 	December 2000 April 2001	(a) Agreed approach to possible new ways of increasing non-donor finance.	<ul style="list-style-type: none"> 100% draw-down policy approved by Executive Board in December 2000. Paper on Market-Based Project Cofinancing presented to Board in September 2000. Cofinancing framework approved by Board in December 2000. Policy paper on Financing from Non-Donor Resources approved by Governing Council in February 2001. 	

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IMPLEMENTATION PROGRESS – OCTOBER 2001**

Recommendation	Action	Target Date	Output/Results	Progress Achieved	Further Actions/ Implications
<p>C. Complementarity and Replication Objectives</p> <p>(i) Forge more strategic partnerships and expand the Fund's collaboration and cofinancing with other donors. COSOPs should provide the framework for such cooperation. The objectives are to improve mutual learning and lesson-sharing; share institutional capacity; and strengthen the potential for replication and expansion of best practices in poverty alleviation (paragraphs 14-16, 25).</p>	<ul style="list-style-type: none"> • Analyse current extent of strategic partnerships and, in quantitative terms, volume and proportion of cofinancing with other donors. • Develop more technical and financial cooperation with multilateral and bilateral donors. • Expand cofinancing to cover at least 30% of IFAD annual commitment level. • Increase the volume of funds leveraged through national and/or external resources for poverty reduction. • Develop a strategy for increased partnership with the private sector at the project level and present a paper to the Executive Board. • Ensure that the contents of COSOPs and Reports and Recommendations of the President reflect the above. • See also A(i). 	<p>April 2001 and annual reports thereafter</p> <p>April 2001</p> <p>As of April 2001 onwards</p>	<p>(a) IFAD's efforts at increasing cofinancing reach at least 30% of its annual lending programme, with an increased and measurable volume of further resources, national or external, leveraged for poverty reduction.</p> <p>(b) Significant improvement in both quantity and quality of technical and financial cooperation with other donors shown in programming, henceforth leading to more sustainable, expandable and replicable poverty alleviation.</p>	<ul style="list-style-type: none"> • Survey on strategic partnerships for operations conducted, with findings reported to Executive Board in the Progress Report on the Project Portfolio. • Cofinancing figures for the year 2001 have reached approximately 48% of the lending programme. • Paper on private-sector strategy in preparation. • Partnerships with private sector reflected in COSOPs and President's Reports and Recommendations on project proposals. 	

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IMPLEMENTATION PROGRESS – OCTOBER 2001**

Recommendation	Action	Target Date	Output/Results	Progress Achieved	Further Actions/ Implications
<p>D. Objectives Relating to Use of Resources</p> <p>(i) Consider the distribution of annual lending by region, including demands from new countries and post-crisis recovery situations (paragraphs 52, 62-63).</p> <p>-----</p> <p>(ii) Concentrate its resources in poor countries and ensure that their share, on highly concessional terms, should be no less than 67% (paragraph 54).</p> <p>-----</p> <p>(iii) Draw up criteria to determine the circumstances under which loans on highly concessional terms might go to other countries, with a proposed ceiling on the proportion of such funds (paragraph 54).</p>	<ul style="list-style-type: none"> • Review regional allocations and present a paper to the Executive Board. <p>-----</p> <ul style="list-style-type: none"> • Analyse the current distribution of resources. • Adjust future distribution as necessary to ensure that the annual programme of work and budget meets the 67% target for poor countries (as approved through the Lending Policies and Criteria in 1994). • Produce annual reports. <p>-----</p> <ul style="list-style-type: none"> • Establish clear criteria, including a proposed ceiling, bearing in mind IFAD's resource availability. • Present a paper to the Executive Board. 	<p>April</p> <p>2001</p> <p>and</p> <p>annual</p> <p>reports</p> <p>thereafter</p>	<p>(a) Agreed distribution of lending programme by region.</p> <p>(b) Continued focus on poor countries ensured.</p> <p>(c) Criteria and ceiling for highly concessional loans to other countries agreed, including role of Executive Board in approving such exceptional cases.</p>	<p>-----</p> <ul style="list-style-type: none"> • Target met and surpassed, i.e. share of lending on highly concessional terms recorded as 85% for 2000 and expected as 81% for 2001. <p>-----</p>	

