



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Consultation on the Sixth Replenishment of IFAD's Resources – Third Session**

Rome, 2-3 July 2002

**CHAIRMAN'S SUMMARY OF THE DELIBERATIONS ON THE EXTERNAL REVIEW  
OF THE RESULTS AND IMPACT OF IFAD OPERATIONS**

1. We have had, I think, a very valuable discussion on the External Review. May I reiterate what I said in my opening statement. I would like to express our appreciation to the entire External Review Team for the excellent job it has done in carrying out this difficult task on time.
2. And I would also like to say, as we stated in our management comments on the External Review, that management considers the External Review to have been objective in its findings and fair in its qualitative assessments. We welcome the review's main conclusions that recognize IFAD's strengths and impact and the contribution the Fund has made to poverty reduction. The review has also drawn attention to several areas in which IFAD faces challenges to improve its impact even further.
3. These challenges can be broadly categorized in four areas. The first is policy dialogue and partnership at the national as well as international level, the second is innovation and knowledge management, the third is results-based implementation of IFAD programmes and the fourth is monitoring and evaluation.
4. The management of IFAD is strongly committed to addressing these issues vigorously. We share, as we have said, the analysis of the External Review. Many of the themes and issues that have been raised by the External Review Team are very closely linked to issues being addressed under the Action Plan. Now, in the light of the new insights and the new emphasis provided by the External Review, and in light of the discussions at this Consultation on sustainability for example, we will review what is presently being done under these processes and consider how to revise and strengthen them appropriately. The new strategic planning and budgeting process provides a modality for integrating these revisions.
5. There is one issue brought out by the External Review that is substantially new, in the sense that we are not dealing with it in any defined process, and that is the issue of field presence – on which we had a useful discussion and for which a separate process is being considered.



6. On the first set of issues, policy dialogue and partnership, the Review has made important comments on strengthening the Country Strategic Opportunities Papers (COSOP) process and the Fund's involvement in policy dialogue, for example through the Poverty-Reduction Strategy Paper (PRSP) process and the United Nations Development Assistance Framework. In this context, the Review noted that increased field presence may be necessary to strengthen the Fund's ability to work with partners.

7. The Fund developed COSOPs some five years ago, and they have become a key instrument for country resource allocation and programme development. COSOPs are developed in close cooperation with IFAD's partners and some of them are reviewed by the Executive Board. They are proving to be valuable in enhancing the Fund's involvement in policy dialogue and in contributing to the PRSP process. They also provide a basis for strengthening collaboration with other development partners, including the mobilization of cofinancing.

8. COSOPs will be used more intensely for these purposes. In addition, we have reviewed success factors in IFAD projects, where policy changes supportive of the rural poor have been achieved. This serves as a knowledge-generation exercise that is providing country portfolio managers with a framework for training and skill-building that is relevant in the local context.

9. Apart from the national level, equally important is effective policy dialogue at the broader regional and international levels. In this context, the *Rural Poverty Report 2001*, the Strategic Framework for IFAD 2002-2006, and the regional strategies have provided the basis for discussions at a number of workshops. We intend to have at least one workshop in each of IFAD's operational regions. I participated myself in three of these – in Senegal for western Africa, the Regional Rural Poverty Assessment and Strategic Opportunity Workshop in Lebanon, and the East Africa Workshop in Dar-es-Salaam in May. This last workshop was chaired, throughout its two days, by the Prime Minister of the United Republic of Tanzania and participants included ministers from most of the countries in the region, academics and other stakeholders. These discussions are providing a forum for developing common strategic approaches at national and regional levels and we will pursue this initiative systematically. It was indeed a very interesting experience to see the strong demand for more interaction at the policy level by the governments and other actors in the region.

10. The second set of issues, on innovation and knowledge management, are perhaps central to the challenge, in the External Review's words, of making IFAD the premier institution influencing the thinking and activities for overcoming rural poverty. An evaluation of IFAD's role as a promoter of innovations has been undertaken in the context of the Action Plan developed during the Fifth Replenishment. This evaluation has highlighted a number of areas in which IFAD has successfully pioneered major innovations, but, at the same time, it has highlighted the need for a more systematic approach.

11. Following the evaluation report and the External Review, we are taking a number of steps to strengthen further the 'innovation culture' in IFAD. Replication and scaling-up are especially important in multiplying the effect of IFAD innovations on poverty reduction and both will be pursued systematically.

12. Among the initiatives being taken in this context are efforts in operational divisions to encourage experimentation and innovation, and in human resource policy to enhance appropriate competency skills and develop adequate incentives, including through the performance review system.

13. Knowledge management, of course, is a key area in both the Action Plan and the Strategic Change Programme. We are keenly aware that effective knowledge management is vital to making our own operations more effective as well as for strengthening the Fund's catalytic role. At the same



time, experience in many other institutions has shown that it is a difficult process requiring not only new approaches, including better information systems, but also what could be called new cultural perspectives. Like others, we are grappling with these issues, and I think we are now starting to make progress, the results of which I hope will be visible soon.

14. Knowledge management has to be based on improved methods of exchanging insights – at various levels. It is very much based on human beings so we need to have good ways of exchanging these insights among IFAD staff and consultants, among project staff, for example through electronic networks, and between project staff, beneficiaries and IFAD headquarters. Some experience has been developed in this area: for example, in-house thematic groups linked to project development teams and regional knowledge networks. We will build on this basis systematically in the coming years.

15. The third set of issues concerns enhanced attention to results-based approaches and to impact and sustainability. This is closely linked to IFAD's capacity to interact with field-level operations, directly and through our partners, especially our cooperating institutions. An evaluation of IFAD's supervision arrangements will be carried out later this year and next year, including a review of the Fund's experience with direct supervision. A project and portfolio review system has been built up in IFAD and has been refined with experience. This seeks to identify bottlenecks and concrete measures to address them. Now project-based reviews will be extended and will serve as a foundation to develop country performance reviews. As suggested by the review, we will also look carefully at developing "exit strategies" that will strengthen the sustainability of project impact. I think this is one of the key concepts mentioned here that have not been much discussed in the past.

16. These exercises will generate important insights for improving the implementation of IFAD-supported programmes, paying greater attention to their impact and sustainability. Together with the discussion on field presence, these elements will provide the basis for improving, as well as better monitoring, the impact of IFAD programmes.

17. The last set of issues concerns monitoring and evaluation (M&E). Effective M&E systems at the project level are of particular importance in strengthening results and impact, as well as in learning more systematically from our operational experience. As a first step in this process, the Fund has recently developed a practical guide for monitoring and evaluation, entitled "Managing for Impact in Rural Development", which has been tabled for you today. This guide will now be applied on a pilot basis in various regions, with translations in local languages, training and development networks, and we believe that these will significantly improve project M&E systems.

18. A new Impact Assessment Methodology was also developed last year, which will improve the Fund's capacity to assess the impact and results of its operations. As a way of bringing these elements together, we will provide an annual report to the Executive Board on IFAD's impact and development effectiveness.

### **Field Presence**

19. Finally, the External Review highlighted field presence in the context of more effective implementation and enhanced policy dialogue and partnership. This is of growing importance at a time when national ownership has rightly been emphasized and many of our partner institutions have adopted decentralized field-based decision-making.

20. At this Consultation we have had a very useful exchange on the issue of field presence, and many points of view have been brought to the fore, highlighting the many different approaches within this concept and the need for cost-effectiveness. I believe there is now a broad agreement that IFAD needs to strengthen its field presence cost-effectively. However there is recognition that this can be



achieved through a variety of modalities, not only through the presence of IFAD staff, and we have benefited greatly from the valuable contributions Consultation members have made to this discussion.

21. What we will now do is reflect on these observations and revise the document on field presence, taking these comments into account and developing more specific options for enhancing the Fund's field presence, with accompanying cost estimates.

22. This revised document will provide the basis for discussions at an informal seminar on field presence, before the next Consultation session. We will have to set the date in consultation. On the basis of those discussions, the Consultation will then be able to provide guidelines on field presence, allowing the Executive Board to pursue the issue.

23. Now to sum up, I would like to say two things. Firstly, as I began by saying, we are very strongly committed to addressing the issues that have been highlighted by the External Review, and by the discussions that we have broadly captured within these four categories and the field presence issue.

24. Furthermore, I think it is important that during the Consultation process, we translate this into language that will capture the issues in the Consultation report, that will capture the guiding principles as to how these issues will be dealt with outside the Consultation, through revisions of the Action Plan, and by the Executive Board.