JL IFAD

Enabling poor rural people
to overcome poverty

South-South cooperation
in IFAD's business model

For: **Review**

Contents

Annexes

Abbreviations and acronyms

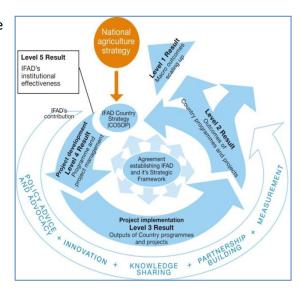|	
AsDB	Asian Development Bank
CDS	Chief Development Strategist
COSOP	country strategic opportunities programme
DAC	Development Assistance Committee
FAO	Food and Agriculture Organization of the United Nations
ICT	information and communications technology
IFAD9	Ninth Replenishment of IFAD's Resources
LAC	Latin America and the Caribbean Division
LIC	low-income country
M&E	monitoring and evaluation
MIC	middle-income country
OECD	Organisation for Economic Co-operation and Development
PROCASUR	Regional Programme for Rural Development Training
REAF	Commission on Family Farming
SSC	South-South cooperation
UNDP	United Nations Development Programme

I. Introduction

1. IFAD's support to poverty reduction is focused on development effectiveness and blends financial resources with ideas: new ideas, adapted replications of tested innovations and scaling up of successfully replicated ideas. These ideas relate to production technologies and rural productivity know-how, pro-poor development approaches and methods, inclusive institutional and policy options, and strategic partnership opportunities. The ideas embedded in IFAD-supported investment programmes make the financing relevant, effective, sustainable and efficient. Therefore, knowledge management – the generation of such new ideas, their application to poverty reduction, their evidence-based replication, their scaling up to reach larger numbers of poor rural people faster, and the dissemination of the knowledge thereby generated across the globe has gained central attention in recent years.

2. The older development paradigm of transferring knowledge from developed countries to developing countries, though still holding value, is being supplemented by more diverse rural development models from developing countries themselves.[1] South-South cooperation (SSC) – rural development champions from the South working directly with poverty reduction protagonists in the South to accelerate the pace of sustainable poverty reduction through a direct exchange and application of knowledge – is seen as a valuable approach to improve the quality and knowledge content of development cooperation because it also improves the relevance, effectiveness, sustainability and efficiency of the knowledge exchange itself.

3. IFAD has integrated SSC into its business model – its products, its business processes and systems, its human and financial resource base, its rules and procedures, its business culture – on the basis of specific high-return opportunities. Given the results obtained by these initiatives, IFAD's business model is being enhanced with a stronger, better planned and coordinated, explicit SSC dimension. **The purpose of this paper is to describe how SSC is becoming an inherent dimension of the enhanced IFAD business model.**

II. IFAD's business model

4. Document REPL.IX/2/R.3 describes the current IFAD business model (IBM) and how it will be enhanced during the IFAD9 period. The figure on the right presents graphically the processes inherent in this business model. The model's key concepts (set out in paragraph 4) are country leadership and in-country planning; IFAD's country presence; proactive participation in country strategy and policy formulation, innovation, programme design, supervision, knowledge-sharing and policy development; high-quality programme design; partnerships with all actors, including the private sector; and systematic monitoring and reporting on results and outcomes.

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[1] Repl.IX/2/R.3, IFAD's business model in IFAD9, paragraph 30.

5. The IFAD business model is being enhanced with systematic scaling-up processes; expanded and strengthened partnerships, especially with the private sector and new donors; a wider variety of projects along the entire agricultural value chain; greater policy engagement and local capacity-building; an expansion of the work on rural environments and climate change; gender mainstreaming; improved monitoring of results and impact evaluation; and heightened efficiency (paragraph 5). A related enhancement of the IFAD business model will be "an increased focus on facilitating South-South cooperation" (paragraph 30).

III. South-South cooperation

The official development assistance framework for SSC

6. A North-South cooperation paradigm dominated development cooperation at its inception. More recently SSC (with triangular cooperation[2] and trilateral cooperation[3]) has gained ground as a complementary model for knowledge transfer among development partners – especially since it has become clear that the first Millennium Development Goal will not be met uniformly across developing countries by 2015; and that SSC can accelerate the scaling up of successful approaches to poverty reduction. In 2003, the United Nations General Assembly described SSC as a process by which two or more developing countries initiate and pursue development through the cooperative exchange of multidimensional knowledge, resources, skills and technical know-how through different types of cooperation. The United Nations Development Programme (UNDP) defines SSC as "a means of promoting effective development by learning and sharing best practices; resources and technical know-how among developing countries"; and a related working group adds the concept of exchange of expertise among governments, organizations and individuals in developing nations. IFAD embraces these descriptions.[4] Because IFAD supports SSC as a facilitator or broker, its engagement in SSC is, strictly speaking, triangular cooperation.

7. SSC is a paradigm developed by the South for the South. The first major official commitment to SSC may well be in the communiqué of the 1955 Asia-Africa Conference in Indonesia (the Bandung Conference) with its call for the "promotion of mutual interest and cooperation" (the ninth of the ten Bandung Principles). SSC has since been integrated into the global policy framework for development cooperation such as the Monterrey Consensus on Financing for Development (2002), the Paris Declaration on Aid Effectiveness[5] (2005), and the Accra Agenda for Action (2008), which states (in paragraph 19): "We acknowledge the contributions made by all development actors, and in particular the role of middle-income countries as both providers and recipients of aid. We recognise the importance and particularities of South-South cooperation and acknowledge that we can learn from the experience of developing countries. We encourage further development of triangular co-operation". "South-South cooperation on development aims to observe the principle of non-interference in internal affairs, equality among developing partners and respect for their independence, national sovereignty, cultural diversity and identity and local content. It plays an important role in

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[2] South-South – with the "North" or a multilateral development institution having the role of facilitator or broker.
[3] South-South – with the "North" or a multilateral development institution having the role of full-fledged partner.
[4] "South-South dialogue is a two-way process. Only by allowing for the fluid interchange of ideas, technologies and goods between the regions will we truly achieve sustainable results. At the same time, building on the experiences of policies that enable rural economic development is an essential element in the successful transfer of know-how between regions." – statement by IFAD Vice-President, Yukiko Omura, at the Brazil-Africa Dialogue on Food Security, Fighting Hunger, and Rural Development, Brasilia, Brazil, May 2010.
[5] Country ownership (for IFAD: country leadership), donor harmonization and alignment, reliance on countries' domestic institutions, policies, strategies and systems.

international development co-operation and is a valuable complement to North-South co-operation."

8.   The June 2011 Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Report on Progress since Paris[6] and the July 2011 Co-Chairs' Summary of Main points of consensus from initial discussions on the draft Busan Outcome Document[7] refer to the importance of SSC (and triangular approaches) for aid effectiveness – and especially for country ownership, mutual accountability, peer-to-peer learning in equal partnership and with mutual trust and respect. The areas of consensus include: (a) the importance of SSC as a growing set of partnerships that should be given prominence in the Busan Outcome Document, together with the relevance of lessons to be drawn and further elaborated from SSC; and (b) the need to reflect in the Busan Outcome Document the nature of the cooperation between South-South actors, and in particular the need for a less-narrow focus on financial cooperation than in previous work on aid effectiveness, by focusing also on knowledge, capacity development and mutual learning. Areas of diverging views, and for further discussion, include: (a) the extent to which SSC actors should formulate a set of principles reflecting the uniqueness of their efforts and the norms and commitments governing them; and (b) the issues related to monitoring and assessing SSC, generating an evidence base that others can draw on and learn from.

IFAD's SSC-enabling policy framework

9.   IFAD's basic documents provide the policy basis for promoting SSC. The Agreement Establishing IFAD highlights "the need for effecting transfer of technology for food and agricultural development and section V ("Food and Agriculture") of the General Assembly resolution 3362 (S-VII) on development and international economic cooperation". IFAD's Lending Policies and Criteria call for "special consideration to … activities … that promote domestic and external trade in food products or other forms of economic cooperation among developing countries in respect of food production" (paragraph 26d) and prompt IFAD to "actively encourage cooperation between potentially food-surplus developing countries and food-deficit developing countries which results in making food available on reasonable terms to the populations…" (paragraph 28).

10.   The Report of the Consultation on the Eighth Replenishment of IFAD's Resources (GC 32/L.5) states (paragraph 47) that IFAD should explore further actions for "more actively promoting South-South cooperation, including by supporting MICs in their efforts to promote knowledge-sharing and innovation in low-income countries. Some MICs have developed leading-edge capabilities in agricultural research and are generating new technologies that are likely to prove essential to the interests of poorer countries. By supporting South-South cooperation, IFAD will increase its overall effectiveness and the sustainability of its efforts."

11.   The IFAD Strategic Framework 2011-2015[8] recognizes the potential for SSC, drawing on the emergence of a number of major new players in the global economy such as Brazil, China and India. "The support of these countries is

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[6] The draft paper (still a working title) being prepared by the Development Co-operation Directorate (DCD)/DAC Working Party on Aid Effectiveness (reference DCD/DAC/EFF(2011)2, version dated 23 June 2011) in its paragraph 35; and the companion document "First Draft Outcome Document for the Fourth High-Level Forum on Aid Effectiveness, Busan, Korea, 29 November to 1 December 2011" (reference DCD/DAC/EFF(2011)5 , version dated 22 June 2011) .
[7] Paris 7-8 July 2011.
[8] EB 2011/102/R.2/Rev.1, Executive summary - para 5, main text - paras 38, 61 and 79, and footnote 30.

presenting new opportunities for rural economies in developing countries", recognizing that the transfer of know-how related to "broad-based, far-reaching and sustainable rural transformation is central to South-South cooperation". IFAD will enhance its role as a knowledge broker among countries by facilitating SSC, including by drawing lessons from successful experiences of middle-income countries (MICs) that may be applied in low-income countries (LICs). Furthermore, in order to enhance partnerships and its resource base, as a principle of engagement, IFAD will seek ways to support and leverage SSC more effectively, with a view to mainstreaming it gradually into IFAD's work in the future.

12. The paper on IFAD's Engagement with Middle-Income Countries[9] also highlights SSC explicitly as a promising modality for IFAD development support. Its recommendations call on IFAD to:

(a) "… Explore the development of … South-South cooperation … likely to be taken up quickly by MICs [middle-income countries] but will interest other LICs [low-income countries] as well;

(b) … IFAD would see knowledge transfer and capacity development (including South-South) as an integral part of its mandate …;

(c) Prepare a COSOP [country strategic opportunities programme] … that defines which … services IFAD will provide, including: … South-South cooperation …."

IFAD's support to SSC

13. SSC is becoming a seamless part of IFAD's country programming processes, a key dimension of its operating model, and an integral part of its core business of investment loans, grants under the Debt Sustainability Framework and research grants. As a partner in triangular cooperation, IFAD facilitates SSC as part of the country programmes' knowledge management strategy by: (a) integrating knowledge from other developing countries and other regions into programme design; (b) including activities to develop home-grown technology that can readily be transferred and adopted elsewhere; (c) incorporating capacity-building activities that encompass learning opportunities in the context of another developing country; and (d) mobilizing expertise from developing countries and posting national officers in its country offices. Another aspect of SSC is direct knowledge exchange activities, which are equally an integral part of the country programmes and regional cooperation initiatives, but which feature more as special-purpose activities designed in the classic sense of SSC. These have been designed as stand-alone, mainly grant-funded, programmes or have grown out of and beyond successful SSC activities in investment programmes. There has been a significant increase in the number and size of these special-purpose programmes in the last few years. Specific examples of such SSC support are provided in annex 1.

14. SSC activities are identified, designed, processed, approved, implemented, supervised, and reported on, through the IFAD's core strategic planning and selection processes. In full compliance with IFAD's basic documents, strategies, policies, and rules and procedures, SSC activities are strongly linked to IFAD's country programmes; funded from regular loan, grant and administrative budget resources; and directly supported with human resources.

15. Examples of SSC as a normal part of IFAD's country programming processes include the following modus operandi:

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[9] EB 2011/102/R.3/Rev.1, paragraph 23.

(a) National project managers participate in country programme processes in other countries in order to learn and share their own experiences. In India, for example, experienced project managers participated selectively in implementation support missions for other younger projects.

(b) The increased recruitment of technical expertise from developing countries enhances South-South cross-learning. For instance, specialists from Indian civil society organizations participated in country programme work in Indonesia to transfer know-how on self-help groups; Moroccan oasis experts provided medium-term technical support to oasis farmers in Mauritania.

(c) In countries with a narrow private-sector base, IFAD facilitated the engagement of private-sector entities across borders. Thus, in the Lao People's Democratic Republic, an IFAD-supported project, with technical assistance from the German Agency for International Development [Deutsche Gesellschaft für Internationale Zusammenarbeit] (GIZ), mobilized a Thai export company, SWIFT Co. Ltd., in order to transfer the know-how for marketing vegetables in high-value markets to the local private sector.

(d) Project staff and project participants visit poverty reduction projects in other countries to learn and replicate successful approaches. Project staff and project participants from Rwanda, for instance, visited an IFAD-supported programme in Peru; and project staff from Bolivia, Peru, South Africa and Swaziland exchanged experience about poverty reduction using information and communications technology (ICT).

(e) Results-based COSOPs, especially for MICs, explicitly identify areas for South-South knowledge exchange (e.g. the COSOPs for Brazil, China and India).

(f) Many investment projects have an in-built training component, which makes it possible for project monitoring and evaluation (M&E) staff to visit other investment programmes to exchange experience on M&E (e.g. the 2010 M&E workshop in India).

(g) Annual regional country portfolio workshops bring together project managers from across the regions to share experience and lessons learned, and to identify ways and means to increase portfolio effectiveness. Often this includes a site visit to an ongoing well-performing project (e.g. the annual portfolio workshop for Asia and the Pacific, in China, in November 2010).

(h) Analytical work directed by IFAD's regional economists brings expertise from one country to assist experts in another country, thereby also strengthening local capacities. Indian and Vietnamese experts, for example, provided support for analytical work in the Lao People's Democratic Republic in April/May 2010, to support the Government in defining public-sector investment requirements in the agricultural sector.

(i) The regional electronic networks (FIDAMERICA, IFADAsia (formerly-ENRAP), FIDAFRIQUE, KARIANET) provide platforms for regional stakeholders to share knowledge directly on issues of their concern. As an example, when experience in managing post-harvest losses was required in early 2010 to help design an investment programme in Timor Leste, IFADAsia participants actively contributed to the exchange of information.

16. These are some important examples of how IFAD integrates SSC in its business model; and with the required "increased focus on facilitating SSC", these approaches will become more systematic.

Value added of SSC

17. SSC focuses on direct knowledge exchange, supported with varying levels of development finance. The contribution of SSC to development cooperation consists of the explicit knowledge agenda (the players at the centre, the content, the locus for learning), and the processes for scouting for innovation and for replicating and putting the learning in action. SSC, as a dimension of IFAD's operating model, gives a specific definition to the knowledge management agenda embedded in an IFAD-supported country programme: the what, who and how of knowledge management and learning. It enhances the knowledge management agenda included in IFAD's country programmes. It puts the responsibility for knowledge-sharing and learning on key stakeholders through direct people-to-people exchange of know-how. The learners themselves define the knowledge agenda, identify the know-how exchange opportunities and chart out the learning routes. The locus for direct knowledge exchange and learning is often in situ, that is, in the place where the innovation has taken place, where experience is acquired and where lessons are being learned. This allows the learners to experience a different context, and develop different perspectives. The origin of the knowledge being shared is more appropriate and more comparable to the context where it will be applied.

18. As a result, compatible or adapted knowledge increases the relevance, effectiveness and efficiency of IFAD's country programmes, and also provides stronger foundations for earlier and predictable scaling up. Annex 1 provides examples of this approach. Special attention is drawn to the Regional Programme for Rural Development Training (PROCASUR) methodology of learning routes (known as *ruta*), initiated in Peru with IFAD support.

19. **Relevance.**[10] The facilitation of direct exchange of knowledge and know-how between people, through SSC, raises IFAD's relevance by integrating tested and appropriate technology, approaches and institutions into country programme design: successfully tested approaches of one country are adapted and transferred by another country, in a way that suits its specific context, needs and policies, with the direct assistance of the originating country. SSC renews IFAD's relevance in already successful countries by rebooting their innovation agenda: furthering the search for innovative solutions to continuing and new rural development challenges, inherent in IFAD programme designs for these countries, for subsequent integration also into the SSC agenda.

20. **Effectiveness.**[11] Direct exchange of knowledge and know-how, through SSC, raises IFAD's development effectiveness by enabling (through M&E, shared evidence-based knowledge management and joint analytical work) tested approaches to be replicated. This enhances the probability of investment programmes achieving their development objectives on a sustainable basis (reduced risk of failure). It also provides stronger foundations for earlier and predictable scaling up – effectiveness at a higher level and on a broader

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[10] **Relevance**: The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies. Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances (OECD-DAC Glossary of Key Terms in Evaluation and Results Based Management).

[11] **Effectiveness**: The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance (OECD-DAC Glossary of Key Terms in Evaluation and Results Based Management).

basis.[12] First and foremost, however, it is the empowerment of people, inherent in SSC, that underpins overall development effectiveness.

21. **Efficiency.**[13] SSC improves IFAD's efficiency because it ensures the economic (cost-effective) conversion of resources/inputs (funds, expertise, time, etc.) into outputs or results. SSC, with direct exchange of knowledge and know-how, also makes IFAD and its partners more efficient because availability of know-how lowers programme development and delivery costs; reduces process failures; and offers tested development models with more affordable and sustainable cost structures, thereby optimizing the use of scarce local resources. SSC, as a source of innovation, facilitates "leapfrogging" and reduces learning costs and risks when mainstreamed in country programme design.

22. **Policy engagement** The IFAD-supported Commission on Family Farming (REAF)[14], a platform for policy dialogue in the Common Market of the South (MERCOSUR) involving countries at different stages of rural transformation, poverty reduction and development, provides an example of how SSC offers IFAD the space to engage in policy development effectively and efficiently. Annex 1 gives other such examples.

Lessons learned

23. Many development partners have undertaken corporate reviews of their SSC activities, and lessons learned by the World Bank, the Asian Development Bank (AsDB) and the Food and Agriculture Organization of the United Nations (FAO) have been both integrated into IFAD's own understanding of the way forward and shared with other development partners. Annexes 2 and 3 elaborate on the lessons learned by IFAD in supporting SSC, grouped under six headings:

    (a) Carefully elect champions as key agents for change;

    (b) Knowledge content is crucial and multidimensional, and needs to be demand-driven;

    (c) Adhere to well-known good-quality project design and partnership criteria;

    (d) Institutions matter, so choose them well. Institutions such as the (the International Poverty Reduction Centre in China, the Brazilian Agricultural Research Corporation (EMBRAPA), PROCASUR (with methodology developed by the Regional Unit for Technical Assistance) in Chile, and the Rural Development Administration (with its Korea Project on International Agriculture) in Korea are leading examples of such SSC-enabling capacities;

    (e) Well-structured financing is crucial; and

    (f) Evidence-based knowledge management is essential to secure continuous learning and improvement of SSC.

A differentiated approach

24. In line with the IFAD Strategic Framework 2011-2015 (paragraph 67) and its first principle of engagement of a "differentiated approach, based on country

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[12] Consistent with the recent "IFAD Scaling-up Review" (30 June 2010) by the Wolfensohn Center for Development at the Brookings Institution, which identifies necessary drivers for scaling up (workable ideas/models and creative leadership); enabling spaces for scaling up (the policy and political arena, institutional structure, cultural context and partnership arrangements); and instruments or operational modalities for scaling up (regional investment/cooperation).

[13] **Efficiency**: A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results (OECD-DAC Glossary of Key Terms in Evaluation and Results Based Management).

[14] Composed of Argentina, Bolivia, Brazil, Chile, Paraguay, Uruguay and the Bolivarian Republic of Venezuela.

context", IFAD's support to SSC takes into account country differences within the South and is aligned with country-specific needs, demands and opportunities, on the one hand, and comparative advantage, relevance and capacity on the other.

25. Due to resource, capacity and results factors, original providers of official SSC were primarily MICs achieving faster progress in development. The receivers were the resource-poorer LICs. It must be noted, however, that MIC-MIC cooperation has become prominent and quite effective, and is intensifying into a major driving force on global public good issues. On the other hand, there are areas of knowledge LICs can productively share with MICs and LICs alike, in a two-way South-South knowledge exchange: e.g. smallholder or family agriculture, sustainable agriculture, drought-resistant crops (roots and tubers), climate change adaptation and mitigation. The traditional divide between providers and receivers is less relevant than the concept of mutual learning, reciprocal exchange of diverse knowledge, according to respective knowledge needs, knowledge assets and comparative advantage.

26. The paper on IFAD's Engagement with Middle-Income Countries[15] and the IFAD Strategic Framework 2011-2015[16] describe the main role that IFAD has in SSC, which is, when requested, to facilitate, convene, and broker the direct knowledge exchange event/process; and, subsequently, to support the parties in integrating the learning into their respective country strategies and investment programmes. This role is quite clear in the case of most LICs, and for LIC-LIC cooperation. In the case of MICs, and especially MIC-MIC cooperation, the question of IFAD's role is more nuanced. The specific subtlety is that SSC for MICs is part of their foreign policy and direct bilateral cooperation agenda; it is part of their national efforts in building new and stronger partnerships within the global governance architecture, in the global fight against poverty and food insecurity. As such, MICs welcome IFAD as an observing partner in SSC, not necessarily as a broker.[17] Nevertheless, there are many instances where MICs have welcomed the opportunity to support SSC in a multilateral context (e.g. facilitated by IFAD) because of the value added and multipliers that come with working beyond the bilateral sphere. They have also welcomed IFAD's support in enabling LICs to engage in SSC, especially in terms of capacity-building for SSC and subsequent follow-up investments, and, indeed, its support in strengthening their own SSC skills and competencies, where this has been a bottleneck.

Which knowledge?

27. IFAD's business model in IFAD9 states that "IFAD support is confined to its mandate and its strategic framework as approved by its governing structures" REPL.IX/2/R.3, paragraph 4). Although its support to SSC is essentially demand-driven, IFAD has concentrated this support on the objectives and priority themes of its corporate strategy since these are its areas of comparative advantage. The business model (paragraph 29) and the IFAD Strategic Framework 2011-2015 (paragraph 63) identify a number of thematic focus areas of direct relevance to its mandate and comparative advantage. IFAD support to SSC will therefore focus on the following areas:

(a) Improved agricultural technologies and effective production services;

(b) Agricultural production;

(c) Inclusive agricultural value chains, from input supply through marketing, processing and retailing;

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[15] EB 2011/102/R.3/Rev.1.
[16] EB 2011/102/R.2/Rev.1.
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(d)   Natural resources management – land, water, energy and biodiversity;

(e)   Climate change adaptation and mitigation;

(f)   A full range of inclusive financial services;

(g)   Rural enterprise development, with non-farm employment opportunities;

(h)   Technical and vocational skills development, especially for young farmers and other rural entrepreneurs;

(i)   Support to rural producer organizations; and, across all themes,

(j)   Gender.

28.   Increasingly, though, SSC centres on rural profitability enhancement, recognizing IFAD's vision and value added in the areas of family farming and new smallholder agriculture as a business opportunity for young farmers and rural entrepreneurs (both women and men).

29.   In the selection of the subject matter focus of SSC activities, a demand-driven approach has been predominant – the interested party spells out its learning and innovation objectives in the areas of sustainable (production and communication) technology, profitable rural enterprise models, inclusive institutions, pro-poor policies and enabling approaches for rural poverty reduction. Ownership of the agenda is among the SSC partners. IFAD's facilitation role has mainly consisted of scouting for relevant, successful and replicable experiences and know-how; identifying innovators and mobilizing experienced knowledge exchange facilitators; and supporting (with human and financial resources) the SSC programme, in close cooperation with the provider.

Managing IFAD support to SSC

30.   In September 2010, IFAD Management communicated (through a presentation on SSC to the Executive Board) its decision to sustain a decentralized approach to SSC (see paragraph 14 above). This will ensure the flexibility and diversity of SSC activities, and, as has been proved, secure creative and innovative results as well as improved impact (on people, communities, governments, countries and IFAD's development effectiveness). However, in response to demand from Member States and in line with the commitments in the various policy documents mentioned earlier, it was furthermore decided to:

(a)   Make SSC more systematic, mainstreaming it into IFAD's business model, while integrating lessons learned into IFAD's support to SSC to make it more effective; and

(b)   Scale up IFAD's support to SSC, which will in turn contribute directly to the scaling up of poverty reduction successes.

31.   It was also decided to establish a corporate-level coordination function that inspires, complements and programmatically supports the current decentralized activities. This coordination function will provide a soft framework for the flexibility and creativity of the special-purpose SSC activities, and serve as a catalyst for further innovation. Innovations will come forward within an enabling corporate SSC programme framework, supported with "light-touch" coordination. To this effect, the Chief Development Strategist (CDS), with the support of the Office of Strategy and Knowledge Management, has been appointed as the corporate focal point for SSC, with some coordination functions, thereby also ensuring the link to the CDS's Knowledge Management and Innovation champion function. On top of benefits of enhanced relevance, effectiveness and efficiency of the current stand-alone SSC activities, the benefits of such coordination include the institutionalization

of a SSC policy and strategy; identification of opportunities to accelerate and scale up direct knowledge exchange; avoidance of the proliferation of many small activities; stronger strategic selectivity and alignment with the new corporate vision; better coordination; economies of scale; management efficiency;[18] stronger catalytic impact and leverage of ongoing activities; larger multipliers; better knowledge management;[19] greater results focus; higher visibility; and broader policy impact.[20]

IV. Conclusion and follow-up actions

32. In conclusion, SSC in IFAD is a two-way process that allows for the fluid and direct interchange of ideas, technologies and goods, among people, within and across regions. It accelerates the mutual sharing of experiences in rural poverty reduction, accumulated through long-term antipoverty endeavours in developing countries.

33. SSC is a regular and structural part of IFAD's country programming processes and a dimension of its core operating model. IFAD supports SSC through direct knowledge exchange activities that are an integral part of the country programmes and regional cooperation initiatives, but that feature more as special-purpose activities designed in the classic sense of SSC. There has been a significant increase in the number and size of these special-purpose activities in recent years.

34. As a result of SSC, compatible or adapted knowledge enhances the relevance, effectiveness and efficiency of IFAD's country programmes. It also provides stronger foundations for earlier and predictable scaling up – effectiveness at a higher level and on a broader basis.

35. IFAD has learned several lessons, which it has shared with other development partners engaged in SSC. The further integration of these lessons into programme design would enhance the effectiveness of SSC activities and ensure broader impact on the knowledge management agenda and the effectiveness of country programmes.

36. Given the increasing demand for SSC activity; considering the potential impact (on people, communities, governments, countries and IFAD's development effectiveness); taking into account the above lessons learned; in response to demand from Member States; and in line with the Fund's policy commitments, IFAD Management has decided to:

    (a) Sustain the current decentralized, flexible and diversified approach to SSC;

    (b) Make SSC more systematic, mainstreaming it, with the lessons learned, into IFAD's business model;

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[18] This includes stronger financial monitoring, with a corporate-level financial monitoring system (a spreadsheet) to keep track in a consolidated manner of resources planned, allocated and spent on SSC activities. This will give the diverse set of SSC activities the corporate programme financing characteristics that will enhance the cost efficiency and impact of IFAD-supported SSC activities. This spreadsheet will also keep track of external cofinancing and contributions in kind (expressed in money terms) in order to measure the financial leverage in IFAD-supported SSC activities. This constitutes an effort to streamline the financing of SSC activities to ensure financial adequacy and efficiency.
[19] Effective SSC knowledge management to guide the SSC support provided by IFAD, to enhance its impact and organize the boundaries around IFAD's SSC engagement. This may include periodic knowledge management forums that support the SSC programme on a continuous basis, as a quasi-network of SSC partners, including host countries, civil society organizations (farmers' organizations) and the private sector in SSC. These forums could be supported through the above-highlighted web-based platforms, as well as through IFAD's Poverty Portal, which will allow ownership and direct participation of authenticated stakeholders.
[20] Largely through strategic engagement in global forums on SSC, in established multilateral SSC coordination mechanisms, knowledge-sharing events, and working groups and processes. This includes a strategic engagement in the global dialogue on SSC, starting with the upcoming events of Busan (DAC, November 2011) and Rome (FAO, December 2011).

(c)   Scale up IFAD's support to SSC, which will in turn contribute directly to the scaling up of poverty reduction successes; and

(d)   Support this effort for scaling up SSC with the establishment of the office of CDS/Office of Strategy and Knowledge Management as the corporate-level coordination function that inspires, complements and programmatically supports the current decentralized activities.

IFAD support to South-South cooperation

1. There are many examples of IFAD support to SSC through direct knowledge
    exchange activities that are an integral part of the country programmes and
    regional cooperation initiatives, but that feature more as special-purpose
    activities designed in the classic sense of SSC. These special-purpose
    activities have been designed as stand-alone, mainly grant-funded,
    programmes or have grown out of and beyond successful SSC activities in
    investment programmes. There is great variety in the growing number of SSC
    activities:

    (a) IFAD's SSC approaches generally have technical or operational
         objectives: learning from successful technologies, institutions, policies
         and approaches from somewhere else. These programmes have included
         diverse combinations of a wide range of activities including research,
         action research, field activity, exposure visits or learning routes,
         knowledge management and analytical work, formal learning, site visits,
         conferences, M&E of the activity and follow-up activities.

    (b) Some activities are between policymakers or governments' technical
         agencies and project managers; while others promote direct knowledge
         exchange from farmer to farmer. Still others bring civil society
         organizations (e.g. farmers' organizations) or private-sector enterprises
         together. Increasingly SSC has been a two-way street, erasing the
         simplified provider-receiver roles, especially in cases of people-to-people
         exchange where mutual respect for each other's experience and
         knowledge, without hierarchy, is valued.

    (c) Some are examples of intraregional SSC, while more recently
         interregional or global SSC has become more prominent; and they can
         be bilateral as well as multilateral.

    (d) Incentives systems for knowledge providers have varied. Increasingly
         these activities have seen IFAD funding being enhanced with funding
         from other sources (governments, other donors, participants). Costs and
         benefits (complex to quantify) have also varied widely.

Some illustrative examples of IFAD support to South-South cooperation

Project	Nature of activity	Date	IFAD's contribution (in US$)
ICT Africa-Latin America	grant-funded	2005	150 000
Iraq-Iran civil societies cooperation	grant-funded	2006	200 000
Palenque learning route	grant-funded	2006	60 000
Pro-poor policy with FAO	grant-funded	2007	1 500 000
Competitiveness Greater Mekong Subregion	grant-funded	2007	609 000
Learning route Ecuador - Peru, market access	grant-funded	2007	900 000
Cambodia - China	in project	2008	200 000
Cooperation with farmers' organizations	grant-funded	2008	1 420 000
First Asia Regional Gathering Pastoral Women	grant-funded	2009	200 000
Terra Madre India and Brazil	grant-funded	2009	200 000
Total overseas training status, MIDPCR, LGED[a]	in project	2009	45 000
New Delhi Conference	grant-funded	2010	200 000
Brazil-Africa Agricultural Innovation Marketplace	grant-funded	2010	500 000
Indigenous partnerships	grant-funded	2010	100 000
Knowledge-sharing, microfinance and social safety	grant-funded	2010	60 000
Promoting SSC with China, knowledge sharing	grant-funded	2010	200 000
Total			6 544 000

[a] MIDPCR = Market Infrastructure Project in Charland Regions; LGED= Local Government Engineering
Department (Bangladesh).

2.   There has been an increase in the number and size of these special-purpose programmes in the last few years. The above table lists some examples, whereas the rest of this section will describe a number of them in greater detail, with summary boxes.

3.   **The Africa-Brazil Agricultural Innovation Marketplace** (box 1) is an interregional activity to support agricultural development in Africa, in line with the strategies of the African Union, the New Partnership for Africa's Development and the Comprehensive Africa Agriculture Development Programme. The programme is an element of African institutional partnership

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Box 1: Africa-Brazil Agricultural Innovation Marketplace

Interregional project to promote innovative technologies for smallholders (especially women and low-income families)
Policymakers, scientists and experts
From NGOs, African organizations, foundations, universities and the private sector
Policy dialogue between policymakers and R&D organizations
Launch of the Marketplace Africa-Brazil projects: technology enhancement, natural resources management, institutional and market strengthening, knowledge management
IFAD grant US$500,000; contribution of others US$1.5 million.

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policies, as well as of Brazil's and African countries' foreign policy; and it is driven by policymakers. It builds on partnerships between agricultural scientists and experts in Africa and Brazil. The Brazilian Agricultural Research Corporation, the Forum for Agricultural Research in Africa, the United Kingdom's Department for International Development and the World Bank are also partners. "Guests" (receivers) include African NGOs, foundations, universities and private-sector actors.

4.   The programme targets the production systems of smallholders, rural households (typically led by women) and low-income families. Its specific objective is to promote technology innovation (biological nitrogen fixation, genetic improvements, biodiversity management, agroforestry to combat climate change) in support of smallholder production systems. It could lead to agricultural production increases (e.g. legumes, cereals, fruit trees), as well as to the production of more affordable food in Africa. The programme has three pillars: (a) direct policy dialogue (e.g. on knowledge and information management, ICT for development, communication strategies, trade); (b) a forum (the specific event) to launch the marketplace; and (c) Africa-Brazil projects to enhance technology, improve natural resources management, and promote policy, institutional land market strengthening and knowledge management.

5.   This initiative is related to the separate and much broader **Africa-Brazil Dialogue on Food Security, Fight against Hunger and Rural Development**, which is an example of interregional South-South collaboration initiated by the Government of Brazil and involving African regional and subregional organizations, civil society stakeholders and international institutions such as IFAD, FAO, the World Food Programme and the African Development Bank. The process started in May 2010 in Brasilia, and continued at FAO headquarters in July with a first follow-up meeting. Brazil is considering opportunities for technical cooperation, but also for a deeper "political" coordination in the international forums. A joint committee – the Africa-Brazil Joint Committee on Food Security – will monitor the progress of the different projects and initiatives. A trust fund for SSC is also envisaged. Issues relating to the principles for SSC, the necessity to involve existing African regional and subregional organizations, and the need to coordinate cooperation to avoid overlap and confusion, are being addressed.

6.   The aim is to replicate Brazil's success in achieving both the first Millennium Development Goal of reducing poverty and hunger, and economic stability (controlled inflation, strong growth, low unemployment rate). The issues covered in this dialogue include policies and programmes focused on family farming: the development of sustainable agriculture, fisheries and

aquaculture, agroforestry and the management of water resources; the improvement of rural infrastructure, market access and product marketing; support for family farmers, aiming at increasing production and ensuring food security; education, training, research, development and dissemination of agricultural technologies (e.g. the use of bioenergy); capacity-building in food security; development of public policy models; technical assistance; capacity-building in sanitary and phytosanitary issues (disease control, quarantine, agricultural pests, etc.); and new tools for facilitating land access and spreading microfinance. The Dialogue also looks at specific Brazilian Government social development programmes (e.g. the Bolsa Familia, or family grant programme).

7. A series of annual **SSC seminars involving China and IFAD-supported programmes in Asia and Africa** (box 2) was an important SSC event in 2009, 2010 and 2011 as part of China's SSC policy and programme. Seminars, coupled with field visits, have involved representatives from Madagascar, Rwanda, Sierra Leone, Zambia, Ethiopia, Pakistan, Bangladesh, Viet Nam and others.

8. The seminars exposed participants to: China's development background and model, its agricultural development performance, and its poverty reduction achievement and

> **Box 2: China-Asia-Africa SSC seminars**
>
> **The seminars specifically addressed:**
>
> **The climate change context and its implications for agriculture and the environment**
> **The quality and safety of food production**
> **Rural development technologies (e.g. irrigation, terracing, microcredit support) and the recent development of biotechnologies**
> **Community participation**
> **The importance of inclusive, multisectoral and coordinated investments**
> **China's approach to poverty reduction strategy planning (e.g. smooth transition from small- to large-scale projects) and to policy transformation (a process of proposing, piloting and implementing policy measures, in a reasonable and acceptable period of time).**

experience (from 260 million to 14 million extremely poor people over 30 years); IFAD's programme with the country (project designs and implementation); and the evolving policies and approaches adopted to address persistent and emerging challenges. The participants recognized that fundamental elements of success in poverty reduction include an emphasis on equitable growth; a strong poverty-focused policy and strategy; appropriate leadership, political stability and strong governance; and goodwill, motivation of the population and respect for discipline. The field visits enabled participants to see rural development programmes first hand, and gave them a fuller exposure and learning opportunity, as well as technical and operational knowledge (e.g. on agricultural production, small agricultural machinery, marketing). The participants were particularly impressed with the achievements in infrastructure development, small-scale rural industry and the introduction of technology in poor households. They expressed keen interest in deepening the exchange of knowledge and expanding the opportunities for cooperation.

> **Box 3: Pro-poor policy website**
>
> www. propoorpolicy .org

9. The **joint IFAD/FAO programme for "Pro-poor Policy Formulation, Dialogue and Implementation at the Country Level"** aims to strengthen the capacities of agricultural policymakers in eight Asian countries (Cambodia, China, India, Indonesia, Nepal, Pakistan, Sri Lanka and Viet Nam) to formulate and enforce pro-poor policy choices. Programme activities include identification of national partners and policy issues; enhancement of institutional capacities to analyse, formulate and implement pro-poor agricultural and rural development policies; analysis and formulation of pro-poor policies; policy dialogue; dissemination of results and sharing of experiences; support to the implementation of selected policies. Besides building capacities of key government agencies to design and implement pro-poor policies, the programme promotes sharing of experiences and lessons learned among participants through a knowledge network; and greater participation by civil society and the private sector in pro-poor policy

dialogue and advocacy. The programme has established a network of participants and launched a website to sustain the process (box 3).

10. The **Commission of Family Farming**, with its seven member countries (Argentina, Bolivia, Brazil, Chile, Paraguay, Uruguay and the Bolivarian Republic of Venezuela), is the outcome of a Brazilian initiative aimed at facilitating regional integration (commercial, economic, environmental, social and cultural) and spurring the development of LICs and their poorest populations. The programme focuses on five areas: access to land; trade facilitation; gender; agricultural insurance; and rural youth.

11. REAF looks at integration through the enhancement of public policies aiming at facilitating trade, reducing disparities and encouraging land development, without neglecting values such as solidarity and complementarity. Sustainable development and civil society commitment are important elements of the REAF philosophy. The Commission seeks to create the necessary conditions for market access, trade development and increased agricultural production while also endeavouring to mitigate the undesired effects of free trade. It focuses on agriculture, a high-potential sector that can contribute to reducing disparities among regions, developing economies and ensuring political stability. With an overall goal of enabling all target groups to have a better life, REAF interprets the Common Market of the South more broadly, taking into account social and geographic aspects. To REAF, integration means equality of opportunities, social participation (consequently a higher "level" of democracy), and trade as a means, not as an end.

12. Policymakers were central to the **New Delhi Conference on Rural Transformation of Emerging Economies** (April 2010), initiated by Brazil and jointly organized by Brazil, China, India and South Africa (box 4). The resulting New Delhi Declaration announces regular and systematic South-South learning and ongoing collaboration, supported by a dual-track approach: the interministerial track with periodic events around Group of 20 events to inform the global agenda about rural transformation issues;

> **Box 4: New Delhi Conference on Rural Transformation**
>
> **Brazil, China, India South Africa**
> **Dual-track approach: interministerial process, open and informal forum**
> **Call for inclusive and sustainable rural development; effective governance; efficiency and effectiveness of public policies and programmes**
> **Importance of coordination between government levels, markets, civil society, reinforcement of public-private partnerships; gender issues; development of small-scale production; economic self-sufficiency; management of rural migration; public services; land reforms; financial services; ICT enhancement; efficient resource allocation**
> **Decision to open the conference to other developing countries in the future**
> **IFAD's contribution of US$200,000; other contributions of US$560,000**

and a track of periodic open, informal and operational forums. The two levels interact and support one another. It is the intention to develop this process further and to open it to other developing countries interested in SSC to meet the global and local challenges of rural transformation more effectively. IFAD has allocated resources to finance follow-up activities – e.g. to support South Africa's work on its white paper on rural development, specifically regarding rural employment creation (learning from India's National Rural Employment Guarantee Act and Brazil's Bolsa Familia) and renewable rural energy.

13. In terms of content, the New Delhi Declaration calls for: increased and prioritized investment in inclusive and sustainable rural development; transparent and effective governance systems; increased efficiency and effectiveness of public policies and programmes; and strengthened M&E functions as well as learning systems and research on rural development. The policies identified as key are those that: ensure food-security through the development of small-scale producers and family farmers; create jobs and economic self-sufficiency in rural areas; improve rural markets; make efficient use of scarce natural resources and promote renewable resources; stimulate growth of rural towns and intermediate cities; manage rural migration; secure

access to basic public services; support land reforms; provide efficient financial services; facilitate ICT opportunities; promote innovation, research and development focused on rural "players"; and secure basic human dignity with care and attention for the most disadvantaged regions and groups, and with a strong focus on gender (e.g. pensions, subsidies for most vulnerable, employment guarantees). The declaration also calls for coordination across government levels, sectors, markets, states and civil society actors; the reinforcement of private-public partnerships; local government accountability; and the empowerment of civil society.

14. Farmers and their associations, rural organizations, technicians and private-sector representatives are at the core of several **learning routes in Latin America and the Caribbean and beyond** (e.g. Rwanda). A learning route is a process of learning in the field, valuing the best experiences of rural institutions, communities and families. It is organized thematically around different case studies and good practices in rural development. The knowledge exchange takes practical shape in an innovation plan, which identifies the lessons learned during the route and supports the subsequent on-the-ground replication and implementation by participants and their communities. Learning routes consist of well-planned and systematic processes (see box 5) to (a) analyse new policies and institutional improvements; (b) facilitate the design of "personalized" innovation plans; and (c) create online platforms to serve rural development projects and their beneficiaries, responding to questions and offering technical assistance and training. The primary impact consists of the people's motivation to work as a team and collectively improve the quality of life.

> **Box 5: Key features of a learning route process**
>
> Flexible and adjustable process, four to six months to organize
> Demand-driven approach
> Supported by qualified human resources at different levels and in different geographic areas
> Mobilizing multidisciplinary groups of rural development partners from different regions
> Organized around experiences, case studies and best practices on innovative rural development
> Thematic visits to communities that face relevant development challenges
> Direct knowledge exchange among participants
> Local actors become remunerated trainers, thereby also further enhancing their own capacities: process enriching both visitors and hosts
> Facilitation of an innovation plan as an inclusive strategy for the community as a whole, with three components: productive, commercial and organizational
> On-line platform for all partners, to demand/offer technical assistance and training
> Participants disseminate knowledge acquired to their communities
> Relatively high per unit delivery cost, but strong multipliers and effectiveness

15. Learning routes are among the flagships of SSC. Routes add value to IFAD's country programmes because the lessons learned "travel" directly to the concerned people and their associations instead of being "placed" in a report. When participants return home, they organize events to disseminate and communicate results, with the support of photographs, testimonies and documents. This has, for example, allowed innovation plans to be considered as an inclusive strategy for the community as a whole, and not just for those who took part in the trip.

16. In the route for "Sharing knowledge about market access in Ecuador and Peru", the main learning topics concerned marketing approaches, business management models, rural microfinance and microenterprises, technology and innovation, ecotourism, organization and leadership, and local development.

17. The objectives of the "Successful Colombian rural microenterprises" route, organized by PROCASUR, the Rural Microenterprise Development Programme (PADEMER**)** and the Colombian Ministry of Agriculture and Rural Development, were to improve the management and administration of the participants' businesses, to increase sales and incomes, improve production processes to

meet clients' demand more closely, and enable participants to support themselves within competitive and dynamic markets.

18. The route for "Improving the quality of life for the community of Palenque" was facilitated by a sugarcane producers association, ASOPRODUCE. It set up, and obtained legal recognition for, a community association for representatives of the various productive and economic activities. Less than nine months after the Palenque route, with the implementation of the innovation plan, participants had increased their monthly incomes through higher sales in different markets and with a new territorial and branding approach. Vendors of sweets, for instance, saw their incomes increase by 35 per cent, which enabled them to improve the quality of their lives considerably.

19. The route for "Talented rural youth: learning from their experiences in accessing land and financial and business services" (Colombia) is open to rural youth organizations, leaders, representatives and technical teams of public and private rural development projects dealing with youth issues. The route has been designed with the goal of defining approaches to promote rural youth's economic and civic participation. It will focus on enhancing social capital, facilitating young coffee producers' access to and management of land, and providing support to the National Federation of Coffee Growers. It will also support the use of specialized financial services; and training and technical assistance services for productive entrepreneurship – empowering young people to manage resources directly to contract the technical assistance and training their businesses need.

20. To learn from these Latin American and Caribbean experiences, an **Asia and Pacific portfolio review forum,** held in China, identified regional champions and innovations, predesigned potential learning routes for Asia and the Pacific, and put in place a regional results-oriented "learning highway" in collaboration with other southern countries.

21. The first **"Regional gathering of pastoralist women"** (box 6) was organized by civil society organizations, working with pastoralists from several countries in Asia, the Near East and the Middle East. Its objective was the social, economic, organizational and political empowerment of pastoral women and their equal participation in decision-making within their communities and local governments.

> **Box 6: Regional gathering of pastoralist women**
>
> **Pastoralist women from Asia, Near and Middle East**
> **Equal participation in decision-making**
> **Knowledge-sharing and capacity-building workshops**
> **Share experiences: market access, product diversification, land tenure, capital improvements, access to natural resources**
> **Establishment of a regional platform for dialogue and knowledge-sharing**
> **At the end of the process, women will have acquired leadership and organizational skills enabling them to influence local and national policies**
> **IFAD grant of US$200,000; contributions of others US$142,000.**

22. To reach this goal, the gathering discussed the needs of women pastoralists; focused on policy and institutional development; encouraged knowledge exchange; identified the most important challenges to women's participation in decision-making processes (within their communities and local governments) and ways to strengthen their organizational, representative and leadership capacities; analysed pastoralist women's rights (identifying the organizations promoting these rights); and fostered the development of national alliances of pastoralist women. Participants also shared experiences relating to rural market access, and discussed opportunities for product diversification, land tenure, capital improvements and access to natural resources. They plan to share this information and knowledge with their communities. One expected outcome of the gathering is the establishment of a regional platform for dialogue and knowledge-sharing. At the end of the process, women, with their acquired leadership responsibilities, will be able to influence local and national policies. This whole process will raise awareness

among local institutions and community leaders of the crucial role performed by women pastoralists.

23. Farmers and their organizations constitute the foundation of **"Developing Terra Madre in Brazil and India"** (box 7), a project that aims at supporting the spread of a "good, healthy and fair food", creating a network of rural entrepreneurs working towards sustainable food systems and the preservation of agricultural biodiversity; and strengthening knowledge exchange. Terra Madre poverty reduction workshops and seminars also consider farm policies; natural resources management; small-scale farmers' enhanced access to markets; institutional reforms to improve small-scale farmers' representation through structured, efficient and influential organizations; and gender issues. The project promotes SSC between India and Brazil, while the gatherings also mobilize farmers from other countries (Ecuador, Peru, Bangladesh and Nepal). Partnerships will be created involving Slow Food International, farmers' organizations and governmental organizations, NGOs and IFAD.

> **Box 7: Terra Madre in Brazil and India**
>
> **Rural entrepreneurs, farmers, food producers, cooks and educators**
> **From different countries: India and Brazil; and Ecuador, Peru, Bangladesh and Nepal**
> **Workshops and seminars**
> **Creation of a network: sustainable food systems; preservation of agricultural biodiversity; ensuring market access; small-scale farmers' representation through structural organizations; study of new farming policies and better natural resources management; emphasis on gender issues; promotion of institutional reforms**
> **IFAD grant of US$200,000**

24. The intraregional programme **"Enhancing Agricultural Competitiveness of Rural Households in the Greater Mekong Subregion",** jointly funded with FAO (box 8), aims at improving livelihoods, incomes and agricultural competitiveness in Cambodia, China (the Yunnan Province), the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam. The stakeholders include representatives of the agricultural, fisheries and natural resources sectors: technicians, members of chambers of commerce and industry associations; and trade policymakers and regulators. The programme is introducing new and improved production, handling and processing technologies for important agricultural commodities; making commodity chains more integrated and rewarding for poor producers by promoting balanced partnerships between buyers and producers; and expanding trade for small producers with neighbouring countries of the Greater Mekong Subregion by exploring new ways to assess market demand and address trade constraints. The programme provides efficient and effective mechanisms for documenting and disseminating experience in order to demonstrate to other practitioners, public advisory services, industry associations, regulatory agencies and policymakers how improved technologies, enhanced cooperation within the commodity chains, and more effective marketing strategies can concretely change poor producers' livelihoods.

> **Box 8: Enhancing Agricultural Competitiveness in the Greater Mekong Subregion**
>
> **Six countries: Cambodia, China (Yunnan), Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam**
> **Is introducing new production, handling and processing technologies; simplifying commodity chains for the most vulnerable producers; facilitating expanded trade for small producers, with new ways to assess market demand and overcome trade barriers**
> **Demonstrates how technologies, cooperation in the commodity chains and effective marketing strategies can concretely change poor producers' livelihoods**
> **IFAD grant US$609,000; other contributors US$130,000**

25. The **Information Technology as a Tool for Poverty Reduction and Sustainable Development Project**

> **Box 9: Africa-Latin America SSC on rural ICT**
>
> **Bolivia (Plurinational State of), Peru, South Africa and Swaziland exchange knowledge on rural ICT as a support to rural development**
> **In Peru, Internet use lowered the information costs of local governments, improved access to market information, fostered new market development and enhanced access to educational resources**
> **In South Africa, Nokia supported agricultural development programmes**
> **In Swaziland, ICT supports rural financial services delivery**
> **Total cost of US$150,000**

(box 9) concerns farmers from Bolivia (Plurinational State of), Peru, South Africa and Swaziland and focuses on ICT. The four countries share rural ICT experiences on an equal basis, exchanging their best practices and the knowledge acquired through focused activities prepared on each country feature. IFAD supported a process of learning across regions (including exchange visits between South Africa, Swaziland, Bolivia [Plurinational State of] and Peru) in order to share lessons learned and to create new partnerships with the private sector. The exchange of experiences between Africa and Latin America in ICT areas made it possible to compare experiences in two different continents and environments, and with two technologies (Internet-based centres and ICT networks in Bolivia [Plurinational State of] and Peru; mobile technology in South Africa).

26.   The programme for **Indigenous Partnerships: fostering a regional self-help community of Asia's indigenous peoples** will organize a knowledge-sharing event in Malaysia on community radio in Asia, in support of indigenous peoples' development; and on policies for community radio, in South-East Asia, to reduce vulnerability to social exclusion and to decrease the risk of economic marginalization.

27.   **The knowledge fair on ICT for rural development** will bring together participants from relevant Asian projects to share their experience and knowledge, while an "innovation village" will serve as an incubator for innovative applications of ICT and sources of renewable energy in support of the community empowerment.

28.   The SSC **initiative between the Ministry of Agriculture of Cambodia and the Yunnan Academy of Agricultural Science (YAAS) in China** will enhance the knowledge of project-implementing agencies in north-eastern Cambodia, at national and provincial level, about the upland rice-based systems successfully practised in Yunnan. It will specifically explore opportunities for the production and marketing of local rice varieties in Cambodia. YAAS will make available varieties considered suitable for upland conditions, with detailed technical protocols, and will provide: experts to support technology development; training for technicians and farmers; and production models for different geographical areas. It will also organize field days and workshops to ensure high-quality work. YAAS experts visited the three Cambodian provinces to study the upland ecosystem in the country and to help design upland farming systems in the Cambodian context.

29.   Like many of the IFAD-supported Consultative Group on International Agricultural Research (CGIAR) research programmes, **the Consortium for Unfavourable Rice Environments (CURE)**, managed by the International Rice Research Institute (IRRI), constitutes a good example of SSC. CURE provides a platform for 10 south and south-east Asian countries within which the national agricultural research and extension systems (NARES) and IRRI researchers can partner with farmers and extension workers to tackle key problems in sites representative of the diverse rice ecosystems – drought-prone, submergence-prone, salt-affected, and upland environments. CURE's strategy involves on-site participatory research that links scientists from NARES, IRRI, and other advanced research institutions using a multidisciplinary approach for technology generation, validation, and dissemination. It provides opportunities for broad-based capacity-building through exchange visits, informal and formal training, collaborative activities, cross-country information exchange, and mutual learning among the various stakeholders involved.

IFAD's experience with South-South collaboration and knowledge exchange in the Latin America and Caribbean region

1. IFAD's Latin America and Caribbean Division (LAC) has a rich tradition of working and investing to promote collaboration and knowledge exchange across international boundaries, primarily but not exclusively within the region. The first such experience, the FIDAMERICA network (documenting and sharing of innovative development practice), led to similar initiatives in other regions including: ProGénero (ProGender); the Regional Platform for Evaluation Capacity-Building in Latin America and the Caribbean (PREVAL) (to develop capacity in M&E); REAF (on family farming policies); and the PROCASUR Learning Routes. Overall, LAC has invested no less than US$1 million per year over 15 years to promote international collaboration and exchange of knowledge, derived from IFAD's practical development experience.

2. The objectives of LAC in promoting South-South collaboration and knowledge exchange are: (a) to enhance the efficiency and effectiveness of country programmes and operations in the region by facilitating their timely access to relevant good practice and well-documented and field-tested knowledge; and (b) to add value through innovation and catalytic impact leading to multiplication and replication on a larger scale.[1]

3. A critical reflection on this experience suggests that IFAD's future work on SSC and knowledge exchange should meet the following five criteria:

    *   **It should be demand-driven**, in the real sense of not initiating any action that is not in response to someone actually expressing a demand to learn or receive support from peers in another country. Solutions or good practice should not be pushed. Country programme managers and country teams have, of course, a responsibility to work with IFAD's clients to turn needs into demands, so it is not a matter of passively waiting for demand to express itself.

    *   **It should be based on concrete and tested knowledge and experience.** Supply of knowledge and experience is bounded by the actual practice of IFAD operations. This means that IFAD should limit itself to those matters in which its actual work in a country or project has yielded specific knowledge and experience that can then be shared with others. Thus, IFAD should engage in SSC only on issues where it has a solid comparative advantage. Such knowledge and experience can run the gamut from a practical technology for capturing rainfall water in semi-arid regions, to methods and approaches for mainstreaming gender in development projects, to national policies in support of family-based agriculture – as long as it is something that at least one of IFAD's operations has been involved in developing and is supporting. IFAD should not merely triangulate or broker collaboration: it should "walk the talk".

    *   **It should be systematic, and not a collection of one-off activities**. This means that next to the content (i.e. the operations-based experience and knowledge to be shared), IFAD should build the delivery instruments (e.g. the programmes it funds), and each of these instruments should develop strategies and approaches, set objectives,

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[1] Based on Linn et al. 2010. Scaling up the fight against rural poverty. An institutional review of IFAD's approach. Working Paper 43, Global Economy and Development, Brookings Institution. Washington, D.C.

build partnerships, define methods and tools, manage budgets and reports and be evaluated. Importantly, IFAD should consider SSC when, from the very beginning, there is a clear case for scaling up.

- **It should be embedded in IFAD's country programmes** and regular activities financed through loans or grants. This means that it should be initiated and driven by those directly involved in IFAD-funded projects and programmes, starting with the project managers, the country programme managers and the country teams. IFAD should prioritize activities that are peer-to-peer, and refrain as much as possible from schemes that involve costly intermediation.

- **It should be prioritized by those who will benefit and be involved directly.** That means that this work should be funded through regular grants and project funds, to ensure that it responds to effective demand from IFAD's country teams and partners and that it is considered sufficiently important to be prioritized over other possible uses of those resources.

4.   These objectives and criteria should be sufficient to guide IFAD in planning and implementing future SSC and knowledge exchange.

Lessons learned from IFAD's experience with South-South cooperation

1. Several development partners have undertaken reviews of their SSC activities. One such review, carried out for UNDP, yielded a number of core lessons (see box 1). Although there are clearly differences in corporate identity, mandate and resource structure, many of the lessons learned in the evaluation of UNDP's SSC activities confirm IFAD's own experience. Lessons learned by the World Bank, AsDB and FAO are also integrated into the lessons learned by IFAD, as reflected below.

2. Although IFAD shares these lessons with other development partners engaged in SSC, efforts to integrate them into programme design would enhance the effectiveness of SSC activities and ensure their impact on the knowledge management agendas of country programmes more broadly.

> **Box 1. UNDP: Lessons learned on SSC**
>
> UNDP is structurally well-positioned to promote SSC. It has substantial experience with SSC, but limited shared understanding.
> SSC is an organizational priority, but receives inadequate support.
> There are many individual initiatives, but institutional direction is lacking.
> Although strategies are well-defined, the largely supply-driven approach is ineffective.
> The results-based approach is weak.
> There are technical issues at the core of the implementation strategy, at the expense of social dimensions.
> Strategies to mainstream SSC have had unsatisfactory results.
> Exploitation of the knowledge base to support SSC has been limited.
> Programming instruments (various models for SSC, including triangular cooperation) have been prepared, but country offices are not aware of them. Oversight instruments have been partially prepared, but not used.
> M&E tools have not been developed.
> Training instruments and promotional materials are not available.
> The United Nations system is not sufficiently leveraged to promote SSC, and internal collaboration is inadequate.
> There has been strong mobilization of non-core resources, but more are needed to cover the whole range of activities.
> UNDP's role MICs remains to be defined.
> There are Inadequate links across regions to enhance interregional SSC.

3. The lessons learned by IFAD can be grouped under the following six headings.

    Lesson one: Carefully elect and support champions as key agents for change

4. The success of a SSC activity critically depends on the quality of the knowledge exchange host: a person who has demonstrated innovator and leadership talent and achievements, in areas of sustainable (production and communication) technology, profitable rural enterprise models, inclusive institutions, pro-poor policies and enabling approaches for rural poverty reduction. It is important to understand the incentives of the host and to ensure that she/he has a return to the investment in knowledge exchange, e.g. receiving knowledge in return and/or confirmation of the relevance and quality of the innovation shared, with the impulse for further innovation. SSC is more successful when it is a two-way process.

5. Capacity of SSC providers (hosts) is variable and often needs strengthening. This includes knowledge management and analytical capacities, communication skills and behavioural competencies. IFAD needs to build SSC capacity-building into its country strategies.

6. Having specific activities among homogenous groups of farmers, government technicians or policy-makers, for instance, makes it easier to manage the knowledge exchange and makes it more directly useful. On the other hand, mixed activities bring the broader benefits of comprehensively addressing the multiple dimensions of change.

Lesson two: Knowledge content is crucial and needs to be demand-driven

7. Often SSC activities are initially, at design stage, narrowly focused on the transfer of a specific technology, requested by the guest. During implementation, though, the activities shift towards institutional, policy and approach issues that

> **Box 2: Knowledge content is crucial for the World Bank**
>
> **The World Bank Institute:**
> Strengthened the capacity of Latin America parliaments in financial oversight and anti-corruption
> Created a South-South learning programme supporting innovation for the competitiveness of African agriculture

surround the technology transfer. Programme designs need to include these framework dimensions of technology transfer or have the required flexibility for the hosts to respond to such demands from the learners, the guests.

8. Specifying the demand (the content, the learning agenda) for knowledge exchange is an essential starting point for effective SSC, and requires empowering consultation processes and pre-investment.

9. SSC transfers specific know-how (content); but, more importantly, it broadens the perspective, the frame of reference, the vision of the receiver, and therefore enhances his or her capacity to innovate further. The cost-benefit analysis of SSC needs to factor in such intangible, benefit multipliers.

Lesson three: Adhere to commonly recognized good-quality project design norms

10. SSC activities guided by frameworks (e.g. the Accra Agenda for Action, the New Delhi Declaration) tend to have a stronger strategic focus, better results and broader outreach.

11. Principles of country ownership, harmonization, reliance on country systems, transparency and mutual accountability are unevenly applied; and especially the perception of linkage to commercial interests can be a bottleneck. The Accra Agenda invites South-South cooperators to follow the principles of the Paris Declaration, as well as the principle of non-interference in the internal affairs of other countries. This would lead to better implementation of SSC activities and more sustainable benefits.

12. Not all SSC activities include action to follow up on the ground, and therefore benefits tend to be confined to the direct participants and limited to the SSC activity itself. Resources must be allocated to translate the SSC activity into action.

13. The search for win-win(-win) outcomes (for the guest, the host and the broker) is not explicitly built into preparation processes; and guests tend to have limited capacity to reciprocate. SSC activities would gain from also supporting, as a follow-up activity, such reciprocity activities.

14. Few SSC activities have specific results frameworks that support their results-based management. As a consequence, the relationship between inputs and longer-term outcomes has been limited.

15. The sustainability of the SSC routes is sporadic, but where networks have been established, the impact has been broader, growing and longer-lasting.

16. Often SSC planning cuts short on spelling out expected benefits streams. This reduces the potential for dissemination, replication and scaling up.

17. Few SSC activities pay attention to opportunities for scaling up. This often leads to the need for repeat events, rather than relying on in-built multipliers. Stronger direct linkage with investment programmes would enhance the probability for scaling up.

Lesson four: Institutions matter, so chose them well

18. Institutions (as analysed by Douglas North) define the rules of the game; chart out the "production frontiers", i.e. the business opportunities; and reduce transaction costs. When direct knowledge exchange happens in a capable institutional context, both the guests and hosts work in an enabling framework; the crucial planning process for the SSC becomes more reliable and outcomes more predictable; the execution more effective; the conclusion more meaningful; and the follow-up better communicated, shared and adopted.

> **Box 3: Selecting agents of change at the World Bank**
>
> The World Bank Institute, the World Bank's principal provider of learning activities, involves civil society organizations and private-sector actors in its activities. The World Bank Institute also strengthened the capacity of Latin America parliaments.

19. The choice of the facilitating institutional framework is a key success factor. Institutions that have a cost-effective and scientific approach to SSC – a methodology, processes, working tools, analytical capacities and learning competencies, capacities to adopt new ideas, a results orientation, follow-up action plan focus, and cost-efficiency – tend to be more effective brokers. Moving from special-purpose projects to longer-term programmes would also help these institutions.

Lesson five: Well-structured financing is crucial

20. The effectiveness of SSC cooperation is shaped by the adequacy, predictability and continuity of the activity, and therefore the funding. Ad hoc financing of a stand-alone activity will deliver the expected results of a well-designed and well-executed activity, but only for a few participants, often at a relatively high per-unit cost. A more programmatic approach, a systemic effort to mainstream SSC and matching, structured financing will establish a level playing field, with multipliers and economies of scale, as scaling up is in-built. Again, moving from one-off projects to longer-term programmes which have a higher probability of sustainability would help.

> **Box 4: Financing SSC at the World Bank**
>
> Following growing demand, the World Bank invests in South-South cooperation and established the South-South Experience Exchange Trust Fund, to facilitate practical knowledge and experiences exchanges between development practitioners.

21. Government policies on SSC funding tend to restrict contributions to SSC activities to in kind and local cost contributions. This limits flexibility and choice, and reduces the impact of the SSC activity.

Lesson six: Evidence-based knowledge management is essential to secure continuous learning and improvement of SSC

22. While SSC is by nature a knowledge management activity, the programme design often fails to secure the learning of the direct knowledge exchange. As a consequence, good programme concepts take trial-and-error time to come to maturity for replication and scaling up. Knowledge exchange activities need good learning systems to become effective faster. The development of websites as a platform to support the continued learning by SSC participants has been beneficial.

> **Box 5: SSC and knowledge management at the World Bank, FAO and the Asian Development Bank**
>
> The World Bank Institute works on many topics (such as climate change, governance, private-public partnership) through different approaches, one of which is South-South learning. It also contributes to the South-South debate through a community of practitioners (www.southsouth.info), which represents an interesting and original "laboratory".
>
> FAO also has a specific website for studying and discussing participation in development. The goal is to learn from each other's experience, to highlight the successful applications as well as information regarding the difficulties and obstacles faced, trying to avoid repetition of mistakes and to take advantage of the known best practices.
>
> "Knowledge hubs" are AsDB's centres of excellence designed to create or capture new knowledge and customize it to meet specific local needs. The hubs promote exchange of knowledge and information within the region, and support the creation of a pool of experts on areas operationally relevant to AsDB.

23.   IFAD itself has not made the effort of knowledge management with its
        portfolio of SSC activities. This has resulted in duplication of efforts,
        suboptimal use of resources, limitations on impact and outreach, and loss of
        know-how. Addressing this gap and participating in SSC communities of
        practice would create leverage, enhance the impact and visibility of the
        programmes, and accelerate IFAD's learning and sharing.