



Enabling poor rural people
to overcome poverty

**Document of the Operations Evaluation Department of the African Development Bank and the
Office of Evaluation of the International Fund for Agricultural Development**

A Joint Evaluation of AfDB and IFAD Operations in Agriculture and Rural Development in Africa

Portfolio Analysis of AfDB and IFAD in Agriculture and Rural Development in Africa

**Changes in Quality at Entry of Projects and Country Strategies
in a Selection of Ten African Countries**

June 2009

**A Joint Evaluation of AfDB and IFAD Operations
in Agriculture and Rural Development in Africa**

Portfolio Analysis

Table of Contents

Abbreviations and Acronyms	iii
Executive Summary	v
I. INTRODUCTION	1
A. Purpose and Focus	1
B. Methodology	1
C. Report Structure	3
II. BACKGROUND: INSTITUTIONAL EVALUATIONS AND ONGOING REFORM PROCESSES	3
A. Institutional Evaluations – Main Findings and Recommendations	3
B. Adapting Policies, Structures and Business Processes at the Corporate Level	7
C. Assessment of Performance and Business Process Changes: JE Preliminary Findings	11
III. ANALYTICAL FRAMEWORK	14
A. Policy Content Indicators	14
B. Alignment and Harmonization Indicators	15
C. Business Process Indicators	15
IV. ANALYSIS OF PERFORMANCE AGAINST INDICATORS OF CHANGE AND GOOD PRACTICE	16
A. AfDB’s Portfolio	16
B. IFAD’s Portfolio	22
C. Examples of Good Practice	30
V. IMPLICATIONS FOR RELEVANCE, COMPARATIVE ADVANTAGES AND PARTNERSHIPS	32
A. The Relevance Paradox: Is the Gap Closing?	32
B. Becoming Knowledge Organizations for Policy Dialogue?	34
C. Opening to Harmonization and Partnership: but Strategic Change Still Awaited	34
VI. CONCLUSION	35
 APPENDICES	
1. List of Documents Reviewed	37
2. List of People Interviewed at IFAD and AfDB Headquarters	41
3. Analytical Framework Matrix	43
4. Examples of Good Practice	51
5. Bibliography	59

BOXES

1. Support to a Sector-wide Approach in Agriculture in Tanzania	19
2. Scaling Up in AfDB Supported Projects in Burkina Faso	20
3. Benchmarking State Performance in Nigeria	21
4. Improvements in IFAD's Targeting Approach in Nigeria	24
5. IFAD Harmonization with Other Donors in Rwanda	26
6. Accountability Mechanisms in IFAD Project in Rwanda	27
7. IFAD's Knowledge Management in Mali	28
8. IFAD's Results-based Management in Rwanda	29
9. IFAD's Responses to Broad Risks in Kenya	30

TABLES

1. List of Country Strategies Approved for Countries Included in Analysis	2
2. Areas Where AfDB and IFAD are Complementary	35

Abbreviations and Acronyms

ADF	African Development Fund
AfDB	African Development Bank
ARD	agriculture and rural development
ASDP	Agriculture Sector Development Programme, Tanzania
CPE	country programme evaluation (IFAD)
CPM	Country Programme Manager (IFAD)
CSP	country strategy paper (AfDB), more recently called RBCSP
COSOP	country strategic opportunities programme (IFAD)
IEE	Independent External Evaluation of IFAD
IFAD	International Fund for Agricultural Development
JE	Joint AfDB-IFAD evaluation
M&E	monitoring and evaluation
MTEF	medium-term expenditure framework
NEEDS	National Empowerment and Economic Development Strategy, Nigeria
OE	Office of Evaluation (IFAD)
OPEV	Operations Evaluation Department (AfDB)
PFM	public finance management
PMU	project management unit
PROAGRI	National Agriculture Development Programme, Mozambique
PRSP	poverty reduction strategy paper
RBCSP	results-based country strategy paper (AfDB)
RIMS	Results and Impact Management System (IFAD)
SEEDS	State Empowerment and Economic Development Strategy, Nigeria
SWAp	sector-wide approach
SWOT	strengths, weaknesses, opportunities and threats

AfDB operations

ARISP	Agriculture and Rural Institutions Support Project, Nigeria
DASIP	District Agriculture Sector Investment Project, Tanzania
PADAB	Bugesera Agricultural Development Support Project, Rwanda
PADER-GK	Decentralized Rural Development Support Project, Burkina Faso
PAIGELAC	Inland Lakes Integrated Development and Management Support Project, Rwanda
PICOFA	Community Investment Project for Agricultural Fertility, Burkina Faso
SNPFS	Support to the National Programme for Food Security, Nigeria

IFAD operations

ASP	Agricultural Support Programme, Mozambique
ASDPL	Agriculture Sector Development Programme-Livestock, Tanzania
KWAMP	Kirehe Community-Based Watershed Management Project, Rwanda
MUVI	Rural Micro, Small and Medium Enterprise Support Programme, Tanzania
PAPSTA	Support Project for the Strategic Plan for the Transformation of Agriculture, Rwanda
PROMER	Rural Markets Promotion Programme, Mozambique
RFSP	Rural Finance Support Programme, Mozambique
RUFIN	Rural Finance Institutions-building Programme, Nigeria
RUMEDP	Rural Microenterprise Development Programme, Nigeria
SHoMaP	Smallholder Horticulture Marketing Programme, Kenya
SSLDP	Southern Sudan Livelihoods Development Project, Sudan
WSRMP	Western Sudan Resources Management Programme, Sudan

A Joint Evaluation of AfDB and IFAD Operations in Agriculture and Rural Development in Africa

Portfolio Analysis

Executive Summary

1. The present report summarises the findings of a review of country strategies, projects and programmes currently funded by the African Development Bank (AfDB) and the International Fund for Agricultural Development (IFAD) in the agriculture and rural development (ARD) sector in selected African countries. This analysis is part of the Joint AfDB-IFAD Evaluation (JE) on ARD in Africa, being carried out by the independent evaluation offices of AfDB and IFAD.

2. **Objective.** The objective of this review of the current portfolio (referred to as “current portfolio analysis” from now onwards in the document) is to assess the extent to which lessons from past operations and recent reform initiatives have been reflected in a selection of recent country strategies and operations, approved after the respective independent external evaluations of AfDB (African Development Fund [ADF] VII-IX Evaluation, 2003/4) and IFAD (Independent External Evaluation [IEE], 2004/5).

3. **Methodology.** An analytical framework matrix (see Appendix 3) of quality at entry indicators was developed to assess the scale and direction of change in the policies and operations of the two organizations. The matrix contains 18 indicators, which were defined on the basis of new policy guidance, the institutional evaluations and the preliminary findings of the joint evaluation as contained in the interim report¹. The 18 indicators address relevance, performance and partnership issues. These indicators were grouped into three clusters: policy content, alignment and harmonization and business processes indicators. Each indicator was broken down into four levels, which were described separately for each individual indicator. The agencies’ portfolio was assessed against the least ambitious (1) to the most ambitious (4) position vis-à-vis each of the indicators of the framework; the approach taken made the ratings qualitative rather than quantitative.

4. The analysis consisted of a review of new results-based IFAD country strategic opportunities programmes (COSOPs) and AfDB country strategy papers (CSPs) and a selection of ARD programmes and projects that have been approved since the institutional evaluations of the two organizations and the issuing of new corporate strategies and policy guidelines. The sample comprised all available country strategies and two to three ARD projects per agency in 10 African countries. The sample was assessed against each qualitative level of the indicator and evidence of change in behaviour and examples of emerging good practice were identified.

5. **Policy content.** The analysis of the current portfolio concluded that both agencies score well on policy content issues. The focus on rural poverty is generally well defined, particularly at the strategy level. This is stronger for IFAD, which is unsurprising given its mandate. AfDB tends to focus on economic development and pro-poor growth rather than poverty reduction as such, but there is evidence of increased focus on rural poverty in response to the recommendations of country portfolio reviews. However, the Bank often assumes the existence of linkages between economic growth and poverty reduction, rather than analysing such links.

6. IFAD has a clearer targeting strategy, which is embedded in the targeting policy approved by the Board in September 2006. AfDB tends to be quite generic about targeting whereas IFAD provides a better indication of who is targeted, although the mechanisms for targeting are not always specified in detail.

¹ See <http://www.ifad.org/evaluation/jointevaluation/docs/index.htm>.

7. AfDB seems to be doing more background analysis on the country context but the extent to which it makes use of it to inform investment choices is not always clear. AfDB analysis often covers a range of issues, beyond ARD, including the political context, the macroeconomic framework and the social sectors. In contrast, IFAD strategies and project design documents often lack perspective and analysis on the broader context. The analysis tends to move straight into ARD and rural poverty issues sometimes without careful consideration of the operating context and how it may impinge on ARD. Analysis on the nature and causes of poverty is more developed in IFAD strategies and operations, although gender analysis and in-depth social analysis is not as comprehensive as required in both organizations.

8. Project documents often include substantial analysis of ARD potential and constraints and designed interventions are defined accordingly. However, synergies across a range of operations and ARD interventions by other development partners in a given country context need greater consideration in the future by both organizations.

9. It is however fair to underline that in the context of the 8th replenishment in 2008, the Fund developed papers on its role in middle income countries (MICs) and fragile states, and a full policy on its engagement in MICs will be developed in 2010. And the Bank recently established a Fragile States Unit and Fragile States Facility which will support deeper analysis of the issues in difficult environments.

10. The meta-evaluation of performance of past IFAD and AfDB operations in ARD in Africa, conducted as part of the interim phase of the JE, found that the relevance of the operations of the two organizations was high (90 per cent for IFAD and 60 per cent for AfDB)². Around 60 per cent of the projects in both organizations were effective or moderately effective. IFAD was found to be more efficient than the Bank (around 66 per cent of IFAD's projects were considered moderately efficient, compared to 50 per cent of those funded by the Bank). The evaluation undertook an analysis of project effectiveness by component, and found livestock components to be most successful, followed by community development and capacity building of the rural poor and their organizations, and irrigation development. The components with least success were those related to rural finance and women-specific activities. Overall, IFAD's performance is weaker in Africa than in the rest of the world.

11. There is evidence of improvement in both agencies in the use of outcome and impact indicators, as result of the adoption of results-based management. IFAD's corporate results measurement framework is currently being expanded to capture a wide array of inputs, outputs and outcome related indicators. However, there are still challenges in terms of availability of quantified and time-bound indicators, and the use of intermediate targets to inform mid-term reviews and assist the necessary adjustments over the life of the projects.

12. **Alignment and harmonization.** The analysis documented substantial policy alignment at strategy and operations level for both organizations. Country strategies and projects are generally coherent with country priorities and national policy documents.

13. The analysis also found increasing emphasis on donor harmonization, particularly at the strategy level. Such concern for donor harmonization is stronger in some countries (e.g. Mozambique, Tanzania) than in other (e.g. Morocco, Sudan). But the practice of donor harmonization objectives has been limited due to insufficient country presence and resources for non-lending activities. In IFAD, efforts are being made to provide guidance to staff on partnership approaches, as manifested in the dedicated paper on the topic presented to the 8th replenishment consultation in 2008.

14. There is little evidence of alignment with country public finance management (PFM) systems in the ARD sector. With a few exceptions (e.g. IFAD in Mozambique and IFAD and AfDB in Tanzania),

² The meta-evaluation was based mainly on evaluations undertaken between 2003 and 2007, which assessed projects and strategies approved for the most part in the period 1990–2000, although a number of the projects evaluated continued to disburse funds until 2005–2006. The evaluated projects and programmes therefore predated the recent reforms.

the two organizations still tend to rely on conventional project modalities, which largely use the organization's own mechanisms and procedures (including project management units (PMUs), specific procurement rules and special bank accounts), to fund ARD operations. AfDB has been however making considerable progress in alignment with PFM in its support to other areas, as it provides general budget support in several countries. IFAD Policy on Sector-wide Approaches for Agriculture and Rural Development (September 2005) does not allow it to participate in either general or sector budget support.

15. Policy dialogue features increasingly prominently in both AfDB and IFAD country strategies, although it remains to be defined how the agencies are going to translate their policy dialogue objectives into practice with current country presence arrangements and staff skills and competencies. There is also little evidence that resources are being directed to non-project policy engagement activities. Some recent projects have policy support elements built in, but mechanisms for ensuring that lessons from project implementation are effectively used for wider policy dialogue need to be defined more clearly.

16. **Business processes.** The analysis found considerable variation in business process indicators across agencies and operations. Overall, IFAD seems to have done a lot more thinking than AfDB on the business process issues discussed here. It shows progress (at least in terms of design) on a number of fronts, particularly knowledge management and direct supervision and implementation support. Some questions remain however with regards to the depth of the envisaged change – e.g. analysis of targeting constraints, policy leadership and influence, capacity to generate and disseminate knowledge and resource and skills availability for effective direct supervision and implementation support.

17. Both agencies emphasize the importance of participation although in some cases this is more focused on consultation rather than active stakeholder engagement. Limited attention is given to politics and power in determining the workings and outcomes of participatory approaches.

18. Innovation thinking is stronger for IFAD than AfDB. IFAD presents its innovation focus as its comparative advantage. AfDB is more concerned with scaling up existing approaches piloted successfully by itself or by other agencies. Linkages between scaling up and knowledge management/lesson learning during the pilot phase are critical, but are not often made explicit.

19. IFAD has a corporate knowledge management strategy (September 2007), and knowledge management is a highlight in IFAD results-based COSOPs and recent operations. But details about knowledge management strategic objectives and their operational implications (including for human resources) are still to be articulated in the country strategies and project design documents reviewed. Attention to knowledge management and lesson learning is generally weak across the AfDB portfolio although there is an increasing interest in strengthening economic and sector studies. The Bank recently adopted a knowledge management strategy but this is focused mainly on the work of the Chief Economist's complex.

20. Results-based management and monitoring and evaluation (M&E) are important features of new COSOPs and CSPs, but challenges remain in their operationalisation at project level where attention is often devoted to output level indicators. At both IFAD and the AfDB, efforts are being made to ensure a wider implementation of the Results and Impact Management System (RIMS), which also includes impact level indicators. All in all, M&E is still largely focused on project level and used for internal agency purposes, and linkages with country M&E systems are not yet sufficiently emphasized.

21. The AfDB and IFAD both display increasing attention to issues of sustainability at the level of strategy. At the project level, both agencies treat sustainability systematically, with analyzes of economic and financial sustainability, even though contextual issues and the consequences for operations are not always analyzed sufficiently. Exit strategies are not often made explicit or are insufficiently defined. Both agencies consider local participation and ownership to be the basis for ensuring project sustainability.

22. Risk analysis is included and risk mitigation measures identified in project design documents. But risks are often narrowly defined. AfDB tends to focus on financial risks. IFAD also tends to concentrate on narrowly defined risks and does not often consider risks associated with the wider context (such as political, environmental and external risks), although there are a few exceptions.
23. The need for partnerships is increasingly highlighted in country strategies, particularly IFAD's, but less so in operations. The arrangements for putting partnership objectives into practice are yet to be clearly defined by both agencies.
24. On the whole, the analysis confirms that change is underway in both organizations with several ongoing initiatives aimed at improving performance and development effectiveness. Design processes are being adjusted in line with new policy directions and business process models. Country strategies are becoming better aligned with country policy priorities and improvements are evident in context analysis, lesson learning from previous experiences, focus on poverty outcomes, emphasis on policy dialogue and management for results.
25. Project design is also being strengthened. IFAD has been focusing on improving targeting, and building knowledge management and policy engagement into project components. AfDB has improved its poverty focus and strategic selectivity of interventions, and introduced new guidelines and processes for enhanced quality-at-entry. Both organizations have been making progress in terms of aligning operations with country policies, strengthening stakeholder participation across the project cycle and building up M&E systems, even though more efforts are required in the latter area.
26. There is still some way to go however on a number of critical issues, including: risk analysis and management, sustainability and exit strategies, in-depth analysis of the policy context and processes, capacities and skills for policy engagement, and attention and responsiveness to the broader and changing context (particularly for IFAD).
27. Greater clarity and definition of strategic direction is also required in several areas. Comparative advantages should be analyzed rather than assumed and the analysis should be used as a basis for exploring synergies and potential partnerships with other development partners. The strategy, purpose and operational implications of the current ambitions on policy dialogue, knowledge management and donor harmonization also need to be clearly articulated.
28. Finally, strengthened policy engagement and donor coordination call for expanded country presence and systems for capturing and generating knowledge, managing information and nurturing relationships with country stakeholders.

A Joint Evaluation of AfDB and IFAD Operations in Agriculture and Rural Development in Africa³

Portfolio Analysis

Main Report

I. INTRODUCTION

A. Purpose and Focus

1. This report summarises the findings and conclusions of the analysis of the current portfolio of strategies and operations funded by the African Development Bank (AfDB) and the International Fund for Agricultural Development (IFAD) in agriculture and rural development (ARD) in selected African countries. This analysis is part of the ongoing Joint Evaluation by AfDB and IFAD on ARD in Africa.

2. This analysis of the current portfolio complements other reviews conducted as part of the Joint Evaluation (JE). In particular, it follows on from a meta-evaluation of past performance and a review of the organizations' business processes, both conducted in the interim phase of the JE. The analysis of the current portfolio also complements country studies carried out in eight African countries to test the conclusions and hypotheses which emerged in the interim phase.

3. The objective of the portfolio review is to assess the extent to which lessons from past operations and recent reform initiatives have been reflected in a selection of recent country strategies and operations, approved following the respective independent external evaluations of AfDB (2003/4) and IFAD (2004/5).

4. Over the last three years or so, both the AfDB and IFAD have introduced changes in their operations and business processes in order to improve their relevance and performance. New policies and guidance on country strategies, project design, supervision and targeting, amongst other, have been introduced. The effects of these changes on results are not yet reflected in independent evaluations because of the time lags involved in evaluations, and it is also too early for these new processes to be reflected at the level of impact. Therefore, the main focus of this portfolio analysis is on ongoing and recently designed operations rather than past or future ones. It concentrates on country strategy and programme design and related processes, rather than outputs or outcomes and in this respect it differs from the other work of the Joint Evaluation. The analysis looks at the extent to which lessons from previous evaluations have been captured by recent strategies and operations; and how far the new strategies and operations have incorporated the main elements of the evolving operating models of the two organizations, as defined in recent corporate strategies and policy guidelines. The analysis also seeks to identify cases of good practice in terms of calibre of strategies and quality of project and programme design in the two organizations.

B. Methodology

5. The analysis focused on country strategy documents and project designs of a limited number of selected countries. The analysis covered 10 countries where the AfDB and IFAD have ongoing ARD operations: Burkina Faso, Ghana, Kenya, Mali, Morocco, Mozambique, Nigeria, Rwanda, Sudan and Tanzania. Burkina Faso and Kenya were included in the sample in addition to the eight countries where the JE is conducting detailed country studies. The reason for adding these two countries was that IFAD does not have new results-based country strategies (COSOPs) for all the eight countries in

³ This report was produced under the leadership of Andrew Shepherd, Overseas Development Institute.

the JE (Table 1). The decision was therefore taken to include two additional countries for which results-based COSOPs were available.

6. The main documents reviewed during the analysis of the current portfolio were: results-based country strategies (CSPs for the AfDB and COSOPs for IFAD), approved since 2005 in the case of AfDB and since 2006 in the case of IFAD⁴, and project design/appraisal documents and supervision reports for two or more ARD projects per country for each organization.

Table 1. List of Country Strategies Approved for Countries Included in Analysis

Countries	IFAD COSOP	AfDB CSP
Ghana	6/06*	6/05
Mali	12/07	11/05
Morocco	11/99*	6/06
Rwanda	9/07	11/05
Tanzania	9/07	5/06
Mozambique	9/04*	4/06
Nigeria	9/01*	6/05
Sudan ⁵	9/02	11/03*
Burkina Faso	9/07	7/05
Kenya	9/07	7/05
Total	5+4*	9+1*

* Country strategies produced under the old guidance.

7. Secondary bibliographic sources of information included: AfDB country portfolio reviews, IFAD country programme evaluations (CPEs), project mid-term review reports where available, regional strategies, economic and sector reviews, gender and governance profiles, and a selection of older CSPs/COSOPs for comparison on key dimensions.

8. Other important sources of information were the interviews conducted at the agencies' headquarters, in Rome and Tunis, with a selection of country programme/task managers, regional directors and country economists.⁶

9. The analysis of the current portfolio was based on an analytical framework matrix of indicators (described in more detail in Section III), drawn from new and currently operational CSP/COSOP guidance, new project design guidance, relevant project and programme evaluations and findings from the independent institutional evaluations of the two agencies as well as the results of the interim phase of the Joint Evaluation. A total of 18 indicators were identified, which were common to both agencies, grouped into three categories: policy content, alignment and harmonization and business processes. The choice of indicators was based on a set of criteria: policies or guidance requiring significant behaviour change, similar important evaluation recommendations which have been accepted by the agency concerned, and weight of the issue in the joint evaluation interim papers. For each of these indicators specific levels of attainment were formulated, making use of a four item scale of progressive realization on the issues concerned. This increased consistency in the analysis across the evaluation team members, enhanced validity, and thus provided a solid basis for analysis.⁷

⁴ In the case of IFAD timing of 2006 relates to the approval of the new format and guidelines for country strategy opportunity papers in that year.

⁵ A new COSOP for Sudan was considered by the IFAD Executive Board in April 2009, which is not included in this current portfolio analysis, as it was not available at the time of the review undertaken by the evaluation team.

⁶ Appendix 2 provides the list of people interviewed.

⁷ For further details see the presentation on the analytical framework in Section 3.

C. Report Structure

10. This report is structured into six sections. After this introduction, Section II provides a summary of the findings and recommendations of the organizations' previous independent evaluations. It also provides an overview of the new policy guidelines and strategies. Drawing on these, Section III describes the analytical framework that was developed in order to guide the current portfolio analysis. Section IV constitutes the bulk of the report as it summarizes the findings of the current portfolio analysis, including examples of good practice. Section 5 draws implications for relevance, performance and partnerships for both agencies, the key theme of the Joint Evaluation. Section 6 concludes and highlights the issues for further analysis by the JE.

II. BACKGROUND: INSTITUTIONAL EVALUATIONS AND ONGOING REFORM PROCESSES

11. The analysis of the current portfolio looks at the extent to which the organizations are responding to the recommendations of their institutional evaluations and to the reform processes introduced by both organizations since then. More specifically, it analyzes whether the organizations are operationalising such recommendations and reforms in the design of recent country strategies, and programmes and projects. Before discussing its findings, it is therefore necessary to briefly review the main findings and recommendations of the organizations' institutional evaluations and provide an overview of the main policy and organizational changes which have been introduced over recent years in both organizations. This section also includes a brief summary of the main findings of the meta-evaluation and business processes review produced in the interim phase of the JE which provide the starting point for this analysis of the current portfolio.

A. Institutional Evaluations – Main Findings and Recommendations

12. The two organizations were not long ago subjected to independent external evaluations. These evaluations have been playing an important role in driving change in the organizations' strategies and business models.

Independent External Evaluation of IFAD

13. IFAD's independent external evaluation (IEE) report was issued in September 2005. It included a review of the performance of IFAD operations for the years 1994 to 2003.⁸ It looked at the relevance of IFAD's mission and results, and its impact in reducing rural poverty. The IEE analyzed not only the results and impact of IFAD's activity but also the performance of its corporate and management processes. The evaluation concluded that IFAD has a relevant and distinctive role to play in reducing rural poverty, but its performance needed improvement for the agency to play its role more effectively and have a significant impact in reducing rural poverty.

14. Since its establishment in 1977 IFAD has broadened its focus, which was initially focused on food and agriculture, and is now covering a range of rural development activities. IFAD is the only international organization established to focus exclusively in improving the lives of the rural poor through ARD, and therefore its mandate continues to be highly relevant. However, with the broadening of its focus and the change in the rural sector (such as the multiplication of actors and ways of doing business in the rural sphere) the organization's niche has, according to the IEE, become less clearly defined.

15. The IEE concluded that IFAD's overall portfolio performance at the time was similar to that of comparable multilateral development organizations, and that only half the projects evaluated had substantial or better impact. The evaluation documented, for example, increasing portfolio complexity (greater number of project components across a broader range of issues), high frequency of project

⁸ The results of the evaluation are summarised in OE/IFAD (2005), IEE Report.

redesign, long time lags between project approval and effectiveness, lack of clear criteria and guidelines for targeting the poor⁹, insufficient economic analysis and attention to cost-effectiveness and poor quality of supervision¹⁰ with a disproportionate focus on fiduciary aspects and neglect of development issues. But the IEE noted also that impact varied quite significantly across the portfolio and despite overall modest impact, the IEE also found a few examples of very successful projects.

16. At the policy level, IFAD country strategies (COSOPs) were introduced in 1996 and developed to better articulate the country programme with synergy between projects and across lending and non-lending activities. Despite the potential of the new approach, the IEE argued, that COSOPs had not served as effective filters for strategic selectivity of areas of intervention. The IEE further underlined that COSOPs tended to be driven by the existing and planned portfolios rather than by an analysis of the agency's comparative advantage in the country¹¹. Policy analysis, dialogue and influence were found to be limited and the agency still needs to establish itself as a source of policy ideas and as a leader on policy debates about rural development and rural poverty.

17. The evaluation also reveals shortcomings in IFAD's approach to innovation¹². Although IFAD claimed to have innovation as its comparative advantage, the IEE noted lack of clarity on what innovation really meant, and the tendency to treat it as an end rather than a means to an end. This is especially important in ARD where changes in technology use and socio-economic relationships are so often critical.

18. With regards to corporate processes, the IEE noted that IFAD developed in its early days an effective and simple business model based on a one-to-one relationship between the project controller (currently the country programme manager [CPM]) and the country. This simple and low cost model enabled the organization to have highly customised projects for several years. But the changing context and the current emphasis on programme approaches and country-level policy dialogue has pushed the organization in a different direction with different requirements in terms of skills and ways of working. The IEE further states that IFAD's business model has yet to evolve to meet such changing demands. IFAD has (at least until recently) given limited attention to policy and strategy development and knowledge capture and management, has been slower than other agencies at the country level to adopt new approaches to work in partnership, and has maintained a conservative human resources policy – with a small number of CPMs with seemingly unchanged roles and extensive reliance on short term external consultants – which has been detrimental to the internal development of institutional knowledge. The organizational culture – of risk aversion, poor communication and limited team working and staff development – has worked against IFAD's aim to be an innovative learning organization.

19. The IEE offered a number of recommendations for IFAD to reposition itself and refocus on its comparative advantages. The recommendations fall under six broad headings:

- Managing change, namely by appointing a person with broad executive powers to drive the required change;
- Address causes of low impact by, inter alia, improving the quality assurance mechanisms, including supervision and mid-term reviews;

⁹ IFAD has since developed a targeting policy in 2006.

¹⁰ A supervision policy was introduced by IFAD in December 2006, which enabled the Fund for the first time to undertake direct supervision and implementation, rather than outsourcing this critical function to cooperating institutions.

¹¹ Following the IEE, the Fund introduced a new results-based COSOP format in September 2006.

¹² An innovation strategy was introduced in September 2007 with the aim, inter-alia, to produce more systematic guidance to staff in promoting replicable pro-poor innovations.

- Develop a new business model by, inter alia, expanding the number of out posted CPMs with a special focus on large country programmes, programmes with high innovative content, and difficult environments;
- Adopt smarter ways to encourage skills and learning by, for example, engaging with commercial and not-for-profit organizations to manage operational tasks and release CPM's time for more technical work;
- Clarify IFAD's strategic niche, re-asserting its complementary role by developing a knowledge management system whereby lessons from IFAD and other sources are identified and disseminated, building innovation into project design and identifying partners for scaling up at the start of project implementation to promote ownership and shared learning; and
- Provide direction for development effectiveness by, inter alia, having more effective mechanisms for the Board to scrutinise work programmes and budgets.

20. Most of these recommendations are already being operationalized and there is evidence that IFAD's corporate policies and business model are being adjusted in response to the changing context (see section II B). The current emphasis on knowledge management and policy dialogue, the country presence programme and measures introduced to improve quality at entry and supervision and implementation support are examples of the policy changes and organizational reforms underway to improve the organization's development effectiveness.

Independent Evaluation of AfDB

21. The evaluation of the AfDB focused on the replenishment cycles of the African Development Fund (ADF) VII, VIII and IX. With ADF being the largest concessional lending window of the Bank, the evaluation was actually regarded as an evaluation of key aspects of the Bank. The evaluation was finalised in August 2004¹³ and concluded that as a result of the reforms undertaken since 1994 a more effective organization had been established, with new policies and programming mechanisms in place, which, given the challenging context, are regarded as a remarkable achievement. The change process is seen however as far from finished and a need for further organizational change is recommended. In particular, additional financial and human resources are needed in order for the Bank to realise its vision.

22. The objectives of the evaluation focused on the extent to which the AfDB had put in place the necessary organizational structures and systems to effectively enhance development in Africa. Moreover, the evaluation assessed the degree to which specific directives for the various replenishment cycles had been implemented and whether resources had been used in accordance with donor guidelines.

23. The evaluation followed on an earlier evaluation in 1994¹⁴, which had identified a lack of strategic focus and unresponsiveness to regional member countries needs as key shortcomings of the Bank. Based on this earlier evaluation and a subsequent downgrading of the Bank's credit rating, a reform process was launched which lasted for almost a decade, covering all aspects of the organization and its governance. The development of a vision statement and a related corporate Strategic Plan for 2003-2007, formulated in late 2002, was part of this process which resulted in a lean, highly centralised organization in which decisions were made at the top.

24. The evaluation of 2004 identified a range of organizational and structural issues including the understaffing of the organization, with a much higher project-to-staff ratio compared to sister

¹³ The results of the evaluation are summarised in OPEV/AfDB (2004), ADF corporate evaluation.

¹⁴ The results of this endeavour were presented in AfDB Task Force on Project Quality 1994, *The Quest for Quality* (also known as the *Knox Report*).

organizations, a lack of emphasis on research and knowledge generation, making the Bank dependent on sister organizations in this respect, and an over-centralised organization in a time of shifting relationships between donors and recipients and borrowers and lenders, requiring a much higher degree of decentralization. Though a decision regarding decentralization and the establishment of a network of up to 25 field offices was taken in 1999, progress in this respect was considered very slow, leaving the Bank at a disadvantage compared to sister organizations. In terms of partnerships important steps had been taken, though in relation to its most important partner, i.e. the World Bank, it was considered a junior partner, reflecting an asymmetrical relationship.

25. The evaluation, moreover, brought out various policy-related issues. Though the Bank had developed a large number of new policies, these were mostly instigated by the non-regional members rather than the regional member states, and were not always considered to be well adapted to the African context. Consequently, they were not always implemented. Although the Bank adopted a policy on poverty reduction, this focus on poverty, including how results should be monitored and evaluated, was not seen to have been followed up. A clear assertion of the Bank's comparative advantage was lacking and the areas identified as such – including governance, rural development and regional integration – were considered to be too broad for effective specialisation. Further, the AfDB staff cadre was considered to lack the required skills and competencies in some of these areas.

26. An increasing use of a variety of programming instruments was identified, including country strategy papers. These documents were considered to show linkages to both vision and the organizational strategic plan. The inclusion of lessons learned and risk assessment and the use of participatory approaches were valued positively, though they were considered to be limited by insufficient country presence. It was especially the economic and sector level analysis, which should inform the Bank's lending programme as well as its policy dialogue with member countries, that was considered inadequate with few resources allocated to them. The Bank's portfolio was seen to remain mainly oriented towards public sector projects, notwithstanding alternative aid modalities that were used by other donors. The Bank was seen to have made substantial improvements in M&E, which had been a key recommendation from the 1994 evaluation. However, M&E was considered to remain largely supply-driven, with a relatively low demand for information and the need to further enhance the learning environment was identified. Relatively low capacities in research and sector analysis, lack of harmonization and absence of a country presence were identified as key challenges.

27. The Bank was considered to be at a crossroads, with options for future scenarios dependant primarily on whether donors would be willing to commit additional resources, so that the Bank could pursue its vision of becoming the premier development financing organization in Africa. AfDB's independent evaluation team identified seven fields of action to enable the bank to pursue its goals:

- Providing intellectual leadership in African development issues, giving centrality to knowledge development and thus gaining recognition as a central player in development in Africa.
- Identifying the Bank's comparative advantage and prioritising its policy goals, proactively defining where the Bank would concentrate its efforts based on a review of AfDB and other donor's activities and a consideration of where the Bank had and would be able to build expertise and capacity.
- Enhancing economic and sector work and quality at entrance. Quality of interventions was suffering from low quality preparatory work. Additional resources needed to be devoted to planning and appraising bank interventions, requiring adapted human resources and processes.
- Making results-based management effective, the need to fully integrate results-based management into all Bank activities, strategies, and policies and encouraging Regional Member Countries to adopt results-based management.

- Achieving effective delegation and decentralization, with sufficient degree and types of power devolved to field offices adapted to the different contexts across Africa.
- Reasserting a country focus within all Bank activities and reflecting this in processes and procedures. It is recognized that the establishment of country offices could be expected to remedy this situation.
- Recognising the crucial role of M&E as important components of the Bank's aspiration to be a learning organization, informing learning processes, management as well as policy formulation.

B. Adapting Policies, Structures and Business Processes at the Corporate Level

IFAD's New Directions

28. IFAD has over the past few years been introducing several organizational and policy changes. Some of these have been a direct response to the recommendations of the IEE while other, such as the field presence pilot programme (FPPP), were already ongoing at the time of the IEE. Within a relatively short period of time IFAD issued several policy and guidance documents on a number of issues. Examples of these include:

- IFAD's Action Plan to Improve its Development Effectiveness, December 2005.
- Proposal for a Revised Framework for Results-Based Country Strategic Opportunities Programmes, September 2006.
- Proposal for a Revised Approval Format for Projects. Report and Recommendation of the President for Projects, September 2006.
- Targeting Policy, September 2006.
- Guidelines for preparation and implementation of a Results-based Country Strategic Opportunities Programme, December 2006.
- Policy on Supervision and Implementation Support, December 2006.
- Strategy for Knowledge Management, April 2007.
- Results Measurement Framework for reporting on progress achieved against the IFAD Strategic Framework 2007-2010, September 2007.
- Quality Enhancement for Project Design, Guidelines for Internal Project Review, December 2007.
- Quality Assurance, Guidelines for Quality Assurance Function and Process, December 2007.
- Strategic Framework 2007-2010, December 2006.
- Detailed Guidelines for Project Design, January 2008.

29. The 2005 Action Plan provided a direct response to the IEE recommendations. It aimed to increase IFAD's development effectiveness by intervening in three areas: (i) strategic planning and guidance to establish the priority areas for IFAD's operations; (ii) strengthened country programmes, rooted in a new operating model to deliver a more effective and efficient work programme of

improved quality and impact; and (iii) knowledge management and innovation to ensure that priorities and operations are grounded in the best knowledge about critical issues for rural poverty reduction.

30. IFAD's new operating model, defined by the above mentioned policies and reform processes, comprises results-based country programming, more active country-level engagement through more systematic country presence arrangements, new modalities for supervision and implementation support, stronger quality enhancement and quality assurance mechanisms, a strategic approach to knowledge and learning and partnerships with local development actors.

31. The new results-based COSOPs aim to lay out a coherent country programme, comprising mutually reinforcing instruments and exploring synergies between lending and non-lending activities. Country ownership is emphasized and COSOPs are no longer considered internal IFAD documents, but rather a jointly designed and owned strategy by IFAD and the respective country. Results-based COSOPs specify strategic objectives and monitorable indicators, replacing the logical framework by a results-based framework and thereby better aligning objectives with national poverty reduction strategies. Results-based COSOPs are required to emphasize IFAD's strategic focus, by describing the organization's comparative advantage and competences in a given country. They are also expected to integrate objectives for innovation, knowledge management, partnerships and policy, as well as strategies for programme supervision and management.

32. Strengthened country presence is another key dimension of the new operating model. In 2003, IFAD's Executive Board approved the FPPP with the aim of improving the effectiveness of IFAD operations. The Programme has four key inter-related dimensions: implementation support, policy dialogue, knowledge management and partnership-building. It was introduced in 15 countries selected on the basis of a number of criteria, including: high levels of rural poverty, prospective portfolio size and conducive institutional environment. The implementation of the programme was exposed to a comprehensive evaluation by the Office of Evaluation (OE) in 2006/7. The main conclusion reached by the evaluation was that achievements in terms of performance across the FPPP's four dimensions had been significantly greater in countries with IFAD country presence than in countries without it.¹⁵ The evaluation recommended, inter-alia, the consolidation of the 15 pilots and their establishment as permanent arrangements as well as an expansion of IFAD's country presence to other countries with alternative country presence models, including the out posting of CPMs and establishment of sub-regional offices.

33. In addition to country presence, the new policy on supervision and implementation support constituted another far reaching change in IFAD's operating model with significant implications at the operational level, particularly for human resources at both headquarters and country level. The policy, which was informed by another corporate level evaluation by OE on the Direct Supervision Pilot Programme in 2004/5, envisaged the gradual reduction of reliance on cooperating institutions and a more direct involvement by the Fund on project supervision and implementation support. This policy, which required amendments to the Agreement Establishing IFAD by the Governing Council in 2006, is key towards achieving better development effectiveness, as it allows among other issues IFAD to further strengthen its knowledge base and policy dialogue, partnerships and country-level coordination. Its implementation has required a substantial investment in appropriate competences and skills and strengthened and expanding IFAD's country presence.

34. Strengthened quality enhancement and quality assurance procedures are another important dimension of the new operating model. Key features of the new Quality Enhancement internal review framework, introduced in 2007, include the identification of Key Success Factors against which project quality is to be reviewed; a Maturity Assessment Template to be used by CPMs and reviewers to record their assessments; and the streamlining of the Technical Review Committee. Complementary to the improved Quality Enhancement process, a Quality Assurance process was established that involves a review of project designs by the Office of the Vice-President as a final step before loan negotiations and submission to the Executive Board. The Quality Assurance review comprises the

¹⁵ IFAD (2007d).

quality-at-entry rating of projects which looks at projected effectiveness and poverty impact, sustainability of benefits and innovation, learning and scaling up.¹⁶

35. IFAD has also issued in 2007 a Knowledge Management Strategy, one of the key deliverables of IFAD's Action Plan and a response to the IEE finding that IFAD's management of knowledge and innovation was unsystematic and inadequate in the past. The Strategy aims to improve learning from development practice and turn IFAD increasingly into a knowledge-based organization. It has four strategic interdependent components: strengthening knowledge sharing and learning processes, equipping IFAD with a more supporting knowledge-sharing and learning infrastructure, fostering partnerships for broader knowledge-sharing and learning, and promoting a supporting knowledge-sharing and learning culture. Resources devoted to knowledge capturing and sharing and learning are expected to increase and partnerships and recourse to external expertise reinforced to allow the operationalisation of the strategy.

36. In 2007, IFAD also launched its Strategic Framework for the period 2007-2010. The Framework defines IFAD's development objectives and identifies country programmes as the main outputs to be delivered by the organization. Such programmes are to be articulated through results-based COSOPs and include innovative projects with learning and scaling up mechanisms, multi-stakeholder initiatives and policy dialogue with national governments. Targeting, innovation and scaling up, partnerships and sustainability are amongst the principles of engagement at country level. Results-based management, learning and communication are important new elements of the strategy. In this regard, the Board approved a results measurement framework to measure progress against the main elements in the Fund's Strategic Framework in September 2008. This framework is being updated to include also indicators of importance agreed with member states during the 8th replenishment, which is expected to be adopted by the Board later in 2009.

AfDB's New Directions

37. The response of the AfDB to the Independent Evaluation of 2004 was particularly oriented towards structural changes and adaptation of business processes and a task force for Institutional Reform was put in place to guide and facilitate the process. The Evaluation of 2004 had recognized that many policy documents had been developed in response to the independent evaluation of 1994 and stressed the need to ensure implementation of existing policies. Thus not many new policies were developed in response to the 2004 Evaluation. For example, continued use was made of the Operations Manual, which was developed in 1999 and to which multiple ad hoc changes had been made over time. Although the Operations Manual was withdrawn in 2007, it has not yet been replaced. In more recent years, some new policies and a range of guidelines have been developed.

38. An important part of the structural changes included the sub-dividing of operations over three vice-presidencies, with presently one VP for country and regional programs and policy, one for sector operations and one for infrastructure, private sector and regional integration. Moreover, structural changes also included a process of organizational decentralization, which started in 1999. A strategy for decentralization was developed in 2004, which aimed at the establishment of field offices in 25 countries by the end of 2006. This process started with field offices in Gabon, Nigeria, Egypt and Ethiopia. By 2008, 25 country field offices had been opened. The next target is to have 45 per cent of professional staff based in the field. More recently, sector specialist/task managers have been appointed to some of the country offices, and there has been increasing delegation of authority. These structural changes were intended to lead to a more strategic approach of the Bank in its lending operations and an increased country focus. Overall structural changes have taken longer than originally expected and recommendations of various internal task forces set up to develop proposals for changes were not always fully endorsed by Senior Management and the Board.

¹⁶ This Quality Assurance review has as three main objectives: clear designed projects for loan negotiations and submission to the Board, determine the quality at entry ratings for the results indicators of IFAD's corporate Results Measurement Framework, and evaluate the Quality Enhancement process.

39. The country focus was further enhanced by the 2006 reorganization, which accelerated the opening of Country Offices and which provided a greater role for Regional Directors and Country Teams in country budget allocations, project preparation and Peer Review system. Additional changes can be expected in particular in terms of country focus with the intended location of Country Economists and Regional Directors in the field, in country offices or in regional field offices. More recently a department has been established with responsibility for promoting the focus on results. This department, the Quality Assurance and Results Department is tasked to lead the process of developing organizational systems and capacity for results-based management.

40. In addition to structural changes there have been changes in business processes which were particularly meant to improve quality at entry, service delivery and country focus. Changes affected in particular project identification, design and appraisal. An Operations Committee has been established in order to improve the peer review process as part of project design. The Delegation of Authority Matrix has been adapted in order to delegate more decision-making authority to the country offices, though in general this has been a slow and unfinished process. The supervision process is being adapted with an increasing proportion of the supervisions required being instigated from the Field Office level, rather than from Headquarters. The templates used still mainly pay attention to disbursement and procurement and much less to effectiveness and achievement of project objectives, making use of indicators from the project logical framework. However, work is in hand, led by the Quality Assurance and Results Department, to address this issue.

41. There have been changes in the positioning of ARD as a core strategic direction for the Bank. While ARD was a priority in the Strategic Plan for 2003-2007, it is no longer presented as a focal sector in the Bank's Medium Term Strategy (2008-2012). But the sector is recognized to be 'critical for Africa' and the Bank would remain engaged, 'making a focused contribution to complement the actions of other players'. The JE is expected to help the Bank refine its approach. Thus the role of the Bank in ARD is an on-going debate and in preparations for the new Agricultural Strategy of the Bank, which will replace the Bank Agricultural Policy of 2000, the Bank proposes to focus on six key areas: support to rural infrastructure development, crop production and productivity growth of selected crops, agro-industry development (accelerating agricultural commercialisation through facilitating emergence of forward and backward linkages that support agricultural development), livestock production (scaling up production on a market-oriented basis), natural resource management and climate change adaptation (mainstreaming positive mitigation measures in project design). The debate has recently been influenced substantially by the emerging food crisis in Africa, with rising food prices across the continent, which has put agriculture and rural development back on top of the agenda.

42. In 2003, a Results Management Framework was introduced for the ADF, as part of the mid-term review of ADF IX and was further expanded and improved upon in ADF X. The framework focuses on development and institutional effectiveness and is considered to be in line with methodology used by other international financial institutions. In 2007, a Performance Management System was set up which tracks a set of Key Corporate Performance Indicators, grouped under the headings human resources, portfolio management and process efficiency, budget and expenses and operational deliverables. Performance frameworks with indicators for performance measurement are usually included in the more recent CSPs and project design documents.

43. Knowledge management and improved analysis have been addressed among others by the establishment of the Office of the Chief Economist in 2006, which was meant to situate the Bank as an important player in knowledge generation and dissemination regarding development processes in Africa. A Knowledge Management Strategy was approved in 2008, and a growing range of influential 'flagship reports' are now produced annually, including the African Development Report and the African Economic Outlook.

C. Assessment of Performance and Business Process Changes: JE Preliminary Findings

Project and Country Programme Performance

44. The meta-evaluation of performance of past IFAD and AfDB operations in ARD in Africa, conducted as part of the interim phase of the JE, found that the relevance of the operations of the two organizations was high (90 per cent for IFAD and 60 per cent for AfDB)¹⁷. Around 60 per cent of the projects in both organizations were effective or moderately effective. IFAD was found to be more efficient than the Bank (around 66 per cent of IFAD's projects were considered moderately efficient, compared to 50 per cent of those funded by the Bank). The evaluation undertook an analysis of project effectiveness by component, and found livestock components to be most successful, followed by community development and capacity building of the rural poor and their organizations, and irrigation development. The components with least success were those related to rural finance and women-specific activities. Overall, IFAD's performance is weaker in Africa than in the rest of the world.

45. In both organizations, about half of the operations (55 per cent) have a satisfactory or moderately satisfactory impact on poverty. However, a large proportion of projects (about one third) in both organizations only manifest a moderately satisfactory impact on poverty. The meta-evaluation found that impact was good in areas such as agriculture production and development of physical assets, whereas impact in promoting access to markets, strengthening formal institutions¹⁸, and natural resources management and environment were less positive. Moreover, as mentioned above, insufficient attention was devoted to gender equity and women's empowerment¹⁹ in the past and targeting was weak. One reason for less positive impact in the above-mentioned areas is due to greater attention often allocated to the achievement of physical and financial targets by project implementers, rather than to ensuring improvements on incomes, rural livelihoods and food security. The new IFAD policy on targeting adopted in September 2006 aims to provide an overall framework for ensuring that services and benefits reach the main target groups of specific projects and programmes.

46. IFAD was found to pay more attention than the Bank to promoting pro-poor innovations and several examples of successful innovations may be found at the grassroots level. But the Fund's ability to promote the replication and scaling up of successful innovations was constrained (among other issues) by an operating model in the past that did not devote due attention and resources to partnership, knowledge management and policy dialogue, which are critical for the innovation promotion process. The Action Plan to improve IFAD's development effectiveness was approved by the Board in December 2006 with the aim, *inter-alia*, to introduce a new operating model to redress such concerns. As part of the Action Plan, strategies on knowledge management and innovation were put in place. This was followed by an approach to partnership developed as part of the Eighth Replenishment consultations in 2008.

47. The area of greatest concern is sustainability. Less than half the projects evaluated in both organizations are considered satisfactory in this critical area, with the performance of IFAD operations being marginally better than the AfDB's. The sustainability of World Bank operations in Africa is similar to that of IFAD. While IFAD's global performance on sustainability has improved in recent years (see 2008 ARRI), it continues to remain an area of concern not only in Africa, but also in other geographic regions covered by IFAD operations. Many factors were found to affect sustainability, for example, limited ownership by stakeholders in the country concerned and the absence of exit strategies in most operations. Building on the evaluation findings, the IFAD Management has since developed

¹⁷ The meta-evaluation was based mainly on evaluations undertaken between 2003 and 2007, which assessed projects and strategies approved for the most part in the period 1990–2000, although a number of the projects evaluated continued to disburse funds until 2005–2006. The evaluated projects and programmes therefore predated the recent reforms.

¹⁸ For example, research institutes, government agencies, and others.

¹⁹ OE will undertake a corporate-level evaluation of IFAD's efforts to promoting gender equity and women's empowerment in 2009/10. In 2009, OPEV will also undertake a review of the AfDB's work on gender equality.

approaches to enhance country ownership and sustainability, as part of the Eighth Replenishment consultations.

48. The meta-evaluation finds the quality of project design (or quality at entry) to be a particularly important determinant of effectiveness and poverty impact. Quality of design includes consideration of a range of criteria: identification and disaggregation of the rural poor as project beneficiaries; use of adequate targeting mechanisms; alignment of interventions with country policies; realism of objectives; identification of potential risks and inclusion of measures to mitigate them; and soundness of the internal logic of the project. Some design weaknesses can of course be addressed during implementation and this explains why projects with design flaws at entry can ultimately achieve success and be rated as effective.

49. Risk management is a particularly important aspect of design. Attention to risk is found to be a key determinant of performance, particularly in relation to project sustainability. The economic viability of projects was found to be inadequate suggesting that limited attention was paid to the economic context, including the analysis of risks and the development of risk mitigation strategies.

50. Quality of supervision and implementation support is another key determinant of project performance. The meta-evaluation finds that where the implementing institution has good performance, projects are rated as having a moderately effective performance or better about 80 per cent of the time.

51. The meta-evaluation also reviewed the performance of country programmes, which include non-lending activities. The relevance of country programmes in both organizations was not as high as their project performance, with the Bank's performance slightly better than IFAD's. This is partly due to the fact that in the past the two organizations funded projects without sufficient attention to synergies across the range of operations and between projects and non-lending activities. However, the introduction of results-based COSOPs at IFAD in September 2006 was aimed at ensuring more coherent country programmes, and similar reforms were introduced at the Bank around this time.

52. Policy dialogue at country level on agriculture and rural development was found to be inadequate – it was found highly satisfactory in either organization in no more than 10 per cent of cases. This is partly due to unsystematic attention in the past to analytic work and to knowledge management in general, and to weak performance of M&E systems at the project level²⁰. Although improving due to greater allocation of resources and establishment of country presence, performance in terms of donor coordination and harmonization was seldom satisfactory in past operations²¹. More recently, however, especially in Eastern and Southern Africa, both IFAD and AfDB have been making considerable efforts to participate in the development of joint country assistance strategies and engage in sector-wide approaches. The evaluation found limited use of grant and lending instruments for policy and knowledge work at country level beyond the traditional project investments.

53. Finally, partnership with governments has been generally satisfactory with the two organizations having good relations and communications with the main government agencies involved in agriculture and rural development. However, a more systematic approach to partnership with other development organizations is warranted (especially with the United Nations agencies and international financial institutions). Engagement of the private sector was limited in the projects covered by the meta-evaluation. There is scope for greater involvement of the private sector, for example, in building commodity value chains and other investments. There are several reasons for the limited involvement to date of the private sector, including the fact that the two organizations did not in the past have a

²⁰ It is to be noted that the performance of World Bank agriculture sector operations in Africa is not better, in spite of its relatively heavy investments in analytic work.

²¹ However, it is worth mentioning here that the 2008 evaluation of the implementation of Paris Declaration undertaken by OECD rated IFAD highly in most indicators. See document: 2008 Survey on Monitoring the Paris Declaration – Effective Aid by 2010? What It Will Take, Third High Level Forum, Accra, OECD (2008).

clear approach towards private sector²² engagement, and also the fact that some governments in Africa have not always favoured private sector participation in small scale agriculture and rural development activities.

Business Processes Changes and Outstanding Issues

54. The policy changes and organizational reform processes overviewed in the previous section II B are aimed to address many of the past performance constraints. The approach taken by each organization to tackling these issues has however been different, as argued in the business processes review: while IFAD has largely invested in producing new policies and guidelines, AfDB has focused more on organizational change. Such differences in approach can be explained by the organizational differences and their institutional history. The AfDB, for example, had a period of intense policy activity in 1999-2003 when a number of policies were issued.

55. Both organizations are considered to be at a relatively early stage of reform, especially in order to capture noticeable impact on the ground. In the meantime, however important progress is being made in critical areas, such as country programming, project design and quality at entry, supervision and implementation support, as well as country presence.

56. IFAD's new results-based COSOPs and AfDB's new results-based CSPs are seen as a step forward in country programming. The business process review indicates that selectivity, links across operations and alignment with country policies are improving as a result. The question though is whether with the current emphasis on donor coordination and harmonization COSOPs/CSPs can be developed for each and every country, especially for those countries where the organizations provide few new investments in a country strategy period.

57. IFAD is seen as making noticeable progress on project design and quality at entry. The organization has new guidelines for project design and has new quality enhancement and quality assurance mechanisms. AfDB's progress in this area is less noticeable as the 1999 Operations Manual is still in place although there have been a number of ad hoc changes introduced.

58. Supervision and implementation support has also improved. As mentioned before, IFAD has a direct supervision and implementation support policy and AfDB has an ongoing decentralization process which is expected to impact implementation support significantly. The question here is whether development effectiveness is being considered strongly enough, as both organizations seem to be so far particularly focused on procurement and administration aspects of the supervision process, rather than on development effectiveness.

59. Country presence is being progressively strengthened for both organizations. IFAD's country presence is already showing signs of improved performance in implementation support, partnerships, policy dialogue and knowledge management. AfDB's decentralization process is also well underway. The issue is to ensure availability of adequate skills and resources and the required delegated decision-making in the field.

60. Areas where significant progress is still considered to be required include analytical work and knowledge management. Analytical work and policy dialogue need more resources and skills, and these require in turn adequate country presence and resources (e.g. analytical work in the agricultural units of the AfDB remains severely under-funded). Results management needs to be streamlined and better aligned with country monitoring and evaluation systems.

²² IFAD introduced a Private Sector and Partnership Development Strategy in April 2005. The AfDB's Medium Term Strategy (2008-2012) identifies private sector operations as a key focus for the future.

III. ANALYTICAL FRAMEWORK

61. The analytical framework developed for the portfolio analysis was built on the basis of the agencies' new policy guidelines, the findings from the independent institutional evaluations and the JE's interim phase, including the four working papers produced (on the agriculture and rural development context in Africa, the meta evaluation of past performance, a review of partnership, and an analysis of selected business processes) and the Tunis workshop with the JE's Senior Independent Advisers.

62. The analytical framework consists of a matrix of 18 qualities at entry indicators addressing relevance, performance and partnership issues (included in Appendix 3). These indicators were grouped into three clusters: policy content, alignment and harmonization and business processes. Each of the indicators was broken down into four specific levels of progressive attainment. In this way, the agencies' portfolio was assessed against the four identified levels, ranging from the least ambitious to the most ambitious position vis-à-vis each of the indicators of the framework. Specifying four levels for each of the indicators in the framework in qualitative terms had the advantage of comparability across the evaluators in the team as it meant a shared understanding on the specifics of the four levels identified for each of the indicators and thus enhanced the consistency and validity of the analysis. With the levels for each individual indicator specified, this made numerical comparison across the indicators less feasible. For the development of the framework use was made of the findings, recommendations and guidelines of a selection of documents which served as background for the portfolio analysis (mentioned in the paragraph above).

63. The analysis consisted of assessing progress of the agency's portfolio (comprising country strategy and a selection of two to three ARD programmes/projects, approved where possible since 2005) in the 10 selected countries against each qualitative level of the indicator and identifying evidence of change in behaviour and examples of emerging good practice.

A. Policy Content Indicators

64. Policy content was assessed on the basis of five indicators: rural poverty focus, adaptation to country context, adaptation to the specific sector characteristics, targeting and comparative advantages.

65. Rural poverty focus is defined as the explicit inclusion of poverty reduction objectives in the organizations' country strategies and operations, demonstrating a good understanding about the links between rural poverty and ARD, including of specific pro-poor measures in the strategies and operations and developing and using poverty outcome indicators to track progress against poverty reduction objectives.

66. Adaptation to the country context is about the extent to which the country context is well understood and specific measures are put in place to adapt to the country context and challenges and to promote a more conducive operating environment.

67. Adaptation to the specific sector characteristics is about understanding the sector opportunities and challenges and devising interventions to address them, including exploring synergies with other initiatives (driven by other stakeholders) in the sector.

68. Progress on targeting is assessed in terms of the extent to which the targeting strategy is clear, the profile of beneficiaries is well defined, with the rural poor sufficiently disaggregated, the potential targeting constraints are analyzed and the targeting strategy is flexible enough to allow for adaptation to changes experienced over the life of the project.

69. The organizations' comparative advantages may or may not be explicitly discussed in country strategies and operations. The analysis assesses the extent to which the organizations comparative advantages are clearly defined, whether they are related to the comparative advantages of partner organizations, and whether mutual advantages are explored and dovetailed.

B. Alignment and Harmonization Indicators

70. The depth of alignment and harmonization was assessed on the basis of five indicators: alignment with domestic policies, alignment with domestic public finance management (PFM) systems, policy dialogue, donor harmonization and partnerships. The definition of alignment and harmonization indicators (and their ranking) draws largely on the current international consensus on aid effectiveness embodied in the 2005 Paris Declaration and the recommendation of the interim phase of the JE for the agencies to improve compliance with the Declaration (e.g. Binswanger and McCalla 2008).

71. Alignment with domestic policies is about the extent of conformity/coherence of the agencies' country strategies with domestic policy priorities as defined by national and sector specific policy documents, and the definition of project objectives and areas of intervention in line with those priorities and in ways which make maximum use of domestic capacities.

72. Alignment with PFM systems is about the extent to which the organizations rely on national systems (e.g. medium-term expenditure framework [MTEF] and budget cycle).

73. Policy dialogue is defined as the extent to which agencies engage with country level policies. This requires a good understanding of the policy processes and their key interlocutors and linking project implementation with domestic policy formulation and implementation.

74. The extent of donor harmonization is assessed as the degree to which the two organizations have engaged with other development partners (e.g. through a joint assistance strategy) or put in place mechanism for better coordination and division of labour, such as common funding mechanisms, joint review missions or sector working groups.

75. The nature and depth of partnerships is assessed in the light of the identification of partners and opportunities for partnering in country strategies, definition of clear partnership objectives and mechanisms for putting the partnership into practice, including co-funding mechanisms, joint assessments, etc.

C. Business Process²³ Indicators

76. Progress on business processes was assessed on the basis of eight indicators: stakeholder participation, accountability, innovation and scaling up, field presence, knowledge management, results-based management, sustainability and risk management.

77. Participation of stakeholders is assessed as the extent of stakeholder involvement and active participation in the various stages of the project cycle. The participation of stakeholders beyond the project level and use of participatory poverty assessment as part of the country strategy is also considered.

78. Accountability is about the extent to which reporting mechanisms are in place to account to the various stakeholders. Accountability requires an M&E mechanism in place, which can be used for internal purposes and/or to report to key stakeholders and beneficiaries.

79. Innovation and scaling up is about the extent to which the operations enhance innovations and develop means for scaling up of successful experiences. The extent to which attention is given to

²³ It is important to recognize that some of the business processes analyzed in this report (e.g., innovations and stakeholder participation) are tantamount to the Fund's principles of engagement, rather than business process. Moreover, there is a degree of overlap in the clustering of the various indicators in the analytical framework. Some of the indicators included in the other two clusters could indeed have been classified under the business process category. An example of this is policy dialogue, which according to some definitions can be considered as a defining element of an organization's business model.

innovation and scaling up is analyzed as is the extent to which scaling up is linked to the M&E system and builds on lessons learned from past experience.

80. The extent to which field presence requirements (number of staff, quality and relevance of skills) are analyzed and discussed in country strategies and applied at project level are considered, including any provisions made for direct supervision and implementation support. The extent to which delegation of functions from headquarters to field offices is changing is also considered.

81. knowledge management is about the extent to which knowledge is developed, managed and used to inform project implementation. Documentation of past experiences, sharing of information with other stakeholders and use of project M&E for and beyond the project are considered.

82. The quality of results-based management is assessed on the basis of the clarity of objectives, use of quantifiable and time-bound indicators, involvement of key stakeholders in the definition of monitoring indicators, and its use for enhancing learning and accountability to stakeholders.

83. Sustainability is assessed as the extent to which project activities are viable and their results can be sustained over time, after the end of the project. Attention is given to the clear formulation of an exit strategy and the quality of financial and economic analysis in project design.

84. Risk management is assessed in terms of depth of risk analysis and the extent to which risk mitigation measures and safeguards are identified and incorporated into project design.

IV. ANALYSIS OF PERFORMANCE AGAINST INDICATORS OF CHANGE AND GOOD PRACTICE

85. This section analyzes the agencies' portfolio performance against the selected indicators of change. Each agency is treated separately. For each agency, policy content, alignment and harmonization and business process issues are discussed on the basis of the analytical framework described in Section III. Analysis of policy content issues centred on rural poverty focus, adaptation to country context, adaptation to specific sectoral characteristics, targeting and comparative advantage. Analysis of alignment and harmonization focused on issues of alignment with domestic policies, policy dialogue, alignment with country systems, donor harmonization and partnerships. Analysis of business processes included a wide range of issues, including, inter alia: participation of stakeholders, accountability, innovation and scaling up, results-based management, knowledge management, sustainability and risk management.

A. AfDB's Portfolio

Policy Content

86. **Rural poverty focus.** Strategy documents show clear evidence of an increasing focus on (rural) poverty reduction, in addition to and related with increasing agricultural production and incomes which has historically been the main focus of investment in ARD. In Burkina Faso for example both the CSP as well as project designs reviewed have a clear poverty focus, with the CSP linked to the pillars of the poverty reduction strategy paper (PRSP) and projects aiming at food security and reducing poverty. In Rwanda, the CSP has a clear poverty focus and the Bugesera Agricultural Development Support Project (PADAB) specifically targets poor groups including landless poor and women. This enhanced focus on poverty is in line with the recent Bank Group strategy on poverty reduction and the mainstream donor PRS agenda. However, linkages between growth and the specific results in terms of poverty alleviation are usually left implicit and assumed rather than being analyzed. Analysis of the nature and causes of poverty mostly builds on existing documents such as PRSPs and as a result the quality and depth of this analysis varies accordingly. Poverty analysis often lacks a focus on social characteristics of the poor and aspects of vulnerability.

87. **Adaptation to country context.** Strategic objectives at programme level were generally found to be adequate in terms of relevance to the country context. CSPs include substantial analysis of

country context, including political, macro economic and structural features, although the extent to which this analysis informs specific investment choices is not always clearly reflected in project appraisals. The rationale for investing in the ARD sector is generally clearly stated but the justification for investing in specific types of ARD projects is often made less explicit. Furthermore it is not clear why levels of ARD investment vary considerably (agriculture for example accounts for 36 per cent of the Mozambique portfolio whereas the Bank average is 12 per cent). There are some examples of country programmes commissioning further detailed analysis on key issues (e.g. Governance Profile in Nigeria, Gender Profile in Mozambique).

88. **Adaptation to sector specific characteristics.** CSPs and project documents include substantial analysis of ARD potential and constraints operating at different levels within the sector and priority areas for investment. For example the Agriculture and Rural Institutions Support Project (ARISP) in Nigeria represents a direct response to institutional capacity constraints underlying past policy implementation failures. ARD projects include a number of specific pro-poor measures addressing issues such as food insecurity (Nigeria), soil infertility (Burkina Faso), gender inequality (Mozambique) and smallholder productivity (Kenya). Synergies with other sector initiatives remain limited except where AfDB is supporting sector-wide approaches (e.g. National Agriculture Development Programme [PROAGRI] in Mozambique) or co-financing components of national programmes with other donors (e.g. Support to the National Programme for Food Security [SNPFS] in Nigeria). In addition to specific project activities there is evidence of efforts to promote a more conducive operating environment (e.g. through support to macroeconomic management, good governance and institutional capacity building in Rwanda).

89. There are relatively few examples of the Bank Group taking the lead on ARD sector reviews or developing a more sophisticated poverty analysis specifically relevant for the ARD sector, where the latter is emphasized in the CSP.

90. **Targeting of beneficiaries.** AfDB strategy and project documents generally include criteria and justification for targeting portfolio resources. Mostly a geographical approach to targeting is taken (e.g. Burkina Faso, Morocco, and Nigeria). The extent to which beneficiaries are profiled and the rural poor are disaggregated varies significantly between countries. There is usually no identification of particular vulnerable groups. Identification of targeting constraints and ways to overcome these is not systematically addressed. An exception in this respect is Mozambique where AfDB has an explicit focus on overcoming gender inequality through support for national and sectoral gender initiatives.

91. **Comparative advantage.** CSPs typically include some analysis of lessons from past experience and identify areas of comparative advantage. For example the Bank has assumed a leading role among donors in infrastructure related initiatives (e.g. African Water Facility, Rural Water Supply and Sanitation Initiative and New Partnership for Africa's Development) where it is perceived to have comparative advantage. Other donors are pulling out of Agriculture and Infrastructure making AfDB the biggest donor in these sectors in many countries (e.g. Ghana, Mozambique). The Bank's comparative advantage vis-à-vis others in co-financed projects is not always made explicit. Increased attention to the issue of comparative advantage is likely to be important in order to build more effective partnerships with governments, donors and NGOs.

92. There is clear evidence of increasing application of the principle of strategic selectivity. This goes for the sector level, where there is a tendency to focus on less and larger initiatives. On country level, the Nigeria CSP includes a thematic results matrix which shows how specific measures proposed link to the broader contextual challenges identified. Similarly, the Mozambique Country Strategy Rationale shows how AfDB funded activities will help address priority issues identified and thereby contribute to wider development goals. This process is also partly influenced by the Bank Group's perceived comparative advantage in certain areas such as infrastructure, governance and growth.

Alignment and Harmonization

93. **Alignment with domestic policies.** There is evidence of substantial policy alignment, with CSPs closely aligned with domestic policies, strategies and action plans which seek to reduce (rural) poverty. For example, alignment with the government agenda and PRSP pillars and priorities is one of the key criteria for selecting intervention areas in the Ghana, Mozambique and Rwanda CSPs. The Nigeria CSP is aligned with both national (the National Empowerment and Economic Development Strategy [NEEDS]) and state (the State Empowerment and Economic Development Strategy [SEEDS]) development agendas while the Burkina Faso CSP also draws on sector specific policies on Food Security and Rural Development.

94. Project level objectives and areas of intervention are generally broadly aligned with domestic policy priorities and in several cases involve direct support to national programmes. For example, in Burkina Faso both the Community Investment Project for Agricultural Fertility (PICOFA) and the Decentralized Rural Development Support Project (PADER-GK) were designed following a request from government to support the implementation of specific aspects of proposed sectoral programmes. AfDB projects often aim to support the operationalization of new policies (e.g. the Agriculture Sector Development Programme [ASDP] in Tanzania, the Sector Gender Strategy in Mozambique, and Decentralization in Burkina Faso). On the other hand, there is little evidence of feedback loops between project implementation and domestic policy formulation.

95. **Policy dialogue.** There is clear evidence of increased emphasis on policy dialogue in recent CSPs. The majority of strategy documents include some analysis of the policy and institutional context and identify priorities for reform, though evaluations (e.g. Rwanda and Nigeria) show that in practice the Bank is often not well positioned to engage. Effective policy dialogue requires a clearly focused strategy for engagement backed by permanent field presence with relevant capacity and a dedicated budget for such non-project activities. Even in countries in which AfDB has a field presence those conditions are not necessarily fulfilled. There are a few specific examples of policy dialogue included in project design e.g. PICOFA in Burkina Faso which actively supports ongoing processes of decentralization by linking key stakeholders at different levels of government. However there is little evidence of lessons from project implementation influencing policy making outside project areas.

96. **Alignment with country systems.** Bank Group support for ARD is predominantly through selective sector projects rather than sector-wide approaches (SWAs) or forms of budget support. Very little evidence was found of alignment of project implementation with national PFM systems. Only in Tanzania (Box 1) and Mozambique the Bank Group is supporting ARD SWAs, and has been making considerable progress in alignment with country PFM. In the Mozambique CSP the Bank aims to increase the percentage of support relying on government's PFM systems (including procurement) from 9 per cent in 2005 to 40 per cent by 2009. Otherwise ARD projects continue to operate through project management units (PMUs) with their own mechanisms and procedures. The Bank Group supports wider economic and budgetary reforms designed to improve accountability and transparency, and there is some evidence of efforts to integrate PMUs within ministries (e.g. Nigeria, Mozambique, Rwanda), to build on national procurement systems (e.g. Morocco) and to strengthen domestic PFM procedures (e.g. Burkina) but overall current levels of alignment with country systems remain inadequate.

Box 1. Support to a Sector-wide Approach in Agriculture in Tanzania

The Agricultural Sector Development Programme (ASDP) is a nationwide initiative in Tanzania, executed by the Ministry of Agriculture, Food Security and Cooperatives. It consists of national as well as local level support for a total amount of about 315 million US\$. ADF is one of the larger donors to the initiative, in addition to the World Bank and IFAD. The SWAp is supported by a total of six donors. The programme started in July 2006 and lasts for a total of seven years. IFAD was involved in the design from the start (2002) and the first to commit resources to the basket fund.

This SWAp aims to contribute to increased GDP growth, to reduced rural poverty and enhanced food security. It tries to achieve this goal through enabling farmers' better access to and use of agricultural knowledge, technologies, marketing systems and infrastructure in this way contributing to higher agricultural productivity, profitability and farm incomes. Moreover, it promotes agricultural private investment based on an improved regulatory and policy environment.

The key methodology of the programme is based on a participatory and iterative approach, which is driven by the demands of beneficiaries and decentralized in its implementation, based on achievable results. Assessment of the outcomes of the programme will include the following performance indicators: percentage of farmers accessing improved agricultural services and infrastructure; percentage of farmers with sustained use of technologies that they have learned and percentage of private sector investment growth in agriculture.

97. **Donor harmonization.** Bank Group assistance strategies clearly reflect an increasing emphasis on donor harmonization and partnerships in recent years. Most CSPs have been developed in collaboration with development partners as well as government and at times include detailed information on the activities of other donors by sector. Several CSPs call for increased Bank involvement in harmonization initiatives such as donor advisory groups and joint sector review mechanisms but in practice levels of engagement depend largely on field presence and availability of resources for these non-project activities is relatively low. Harmonization initiatives at project level tend to be much more limited although there is evidence of increased Bank involvement in co-financed projects (e.g. PICOFA in Burkina Faso is co-financed by IFAD and AfDB) and joint donor initiatives (e.g. Agricultural Support Facility supporting sector reforms in Nigeria). However the division of labour based on comparative advantage of the Bank Group vis-à-vis other donors is not always clearly articulated.

Business Processes

98. **Partnerships.** The extent to which partnership strategies are developed within CSPs varies significantly and partnerships tend to be discussed more at national and sectoral level than at project levels. Partnership arrangements with national government and other donors are generally more developed in countries where AfDB is supporting SWAps (e.g. ASDP in Tanzania and PROAGRI in Mozambique). Project designs rely increasingly heavily on private operators and NGOs but the criteria for selection and performance monitoring are often inadequately developed. Evaluations show that partnerships have not always worked out as intended and recommend that partnership arrangements should be more clearly defined on the basis of existing capacities and comparative advantage.

99. **Participation of stakeholders.** Analysis revealed strong emphasis on participation in all stages of the project cycle across the portfolio, in particular on project level. Participation often takes the form of consultation during project design and at times there is active promotion of demand-led approaches to project implementation. For example, SNPFS in Nigeria seeks to make local institutions more responsive and promotes participatory community-based development. Country portfolio reviews have recommended increased participation of civil society organizations in monitoring and evaluation (M&E) of Bank projects and programmes but the mechanisms for doing this remain largely undeveloped to date.

100. **Accountability.** Accountability mechanisms are generally well established. However the main focus of accountability tends to be upward within the Bank and to government partners rather than downward to beneficiaries. Internal accountability is systematically addressed via project steering committees chaired by the relevant ministry and composed of the main partners involved in project

implementation. The effectiveness and efficiency of these structures in extending accountability beyond AfDB's Annual Work Plan and Budget process is difficult to ascertain from design documents. Mechanisms for external accountability to national stakeholders are less standardized but typically include reporting to sector working groups. For example in Nigeria, NEEDS is the main platform for dialogue and accountability to government and other donors. Accountability mechanisms for feedback to beneficiaries are usually not included.

101. **Innovation and scaling up.** Bank projects are not generally concerned with innovation but rather aim to adapt and scale up existing approaches developed by AfDB and others. For example, in Burkina Faso both PICOFA and PADER-GK seek to scale up existing techniques and procedures using the Community Driven Development/Local Development Fund model piloted successfully by other agencies (Box 2). At times ARD projects seek to pilot activities with a small number of beneficiaries during a first phase and then fine tune them before scaling up over a wider area. However, precise mechanisms for scaling up project implementation are often not specified in project design documents. Linkages between scaling up processes and knowledge management during a pilot phase and related M&E data are usually absent.

102. **Field presence.** There is clear evidence of efforts to increase field presence in line with the recommendations of past evaluations and the Bank wide decentralization strategy of 2004. In several countries the Bank has established a field office (Tanzania in 2004, Rwanda in 2006, and Burkina Faso in 2006). This represents a significant step forward but the evidence suggests that delegation of responsibility and resources to country offices is progressing slowly. There are indications that field presence has enhanced the capacity of the Bank Group in terms of project supervision, donor harmonization and alignment and policy dialogue and to build direct supervision and implementation support into project design (e.g. the District Agriculture Sector Investment Project [DASIP] in Tanzania) though the last remain largely ad hoc.

Box 2. Scaling Up in AfDB Supported Projects in Burkina Faso

The Community Investment Project for Agricultural Fertility (PICOFA) aims to improve food security and reduce poverty in rural communities in the Eastern Region of Burkina Faso. The project is co-funded with IFAD and addresses issues of erosion control, restoration of soil fertility, small-scale irrigation and bottom land development, improvement of farming and stockbreeding techniques as well as increased production. PICOFA pilots activities with a small number of village and inter-village land management commissions and then fine-tunes this approach before scaling up over a wide area.

The Decentralized Rural Development Support Project in the Provinces of Gnagna and Kourittenga (PADER-GK) aims to contribute to the country's food security through increased agricultural production and enhanced living conditions of the rural population. The project seeks to scale up existing techniques and procedures using the Local Development Fund model piloted by other projects in Burkina Faso. Both projects will establish a dedicated system for internal M&E and impact assessment during Project Year 1 to inform management decision-making.

103. **Direct supervision and implementation support.** With the establishment of a country presence in a growing number of countries supervision is increasingly taking place from within the country, instigated by resident field staff. This is considered to speed up project start-up and implementation. On the other hand building up of human resources in the country offices is considered slow, as is the delegation of authority to the country level.

104. **Results-based management.** CSPs as well as project documents are primarily focused on outputs under the control of the project, with more limited attention to poverty outcome indicators. The outcome indicators applied in recent results-based country strategy papers (RBCSPs) (e.g. Rwanda) tend to be based on national monitoring systems and are generally not adequate for the purposes of understanding poverty impacts at project level or the overall contribution of the portfolio to national trends. While there is evidence of increased attention to results-based management at strategy level, there is little evidence of this being operationalized at project level, where attention to anticipated and actual results (the behavioural and systemic changes in between outputs and impact) are often missing. Instruments to measure performance are increasingly well specified but related

processes and sources of information for M&E are generally not determined at the design stage (projects typically aim to recruit an M&E specialist and establish a dedicated system for internal M&E and impact assessment during project year 1). The majority of existing M&E systems remain focused on the project level only and linkages with country level PRS processes remain undeveloped. PADAB in Rwanda provides one of the few examples of a results-based framework being used to enhance accountability as well as learning at project level.

105. **Knowledge management.** Attention to knowledge management and lesson learning is generally weak across the whole portfolio. CSPs increasingly include results-based management frameworks but M&E systems are mostly used for data gathering and reporting, with much less emphasis on learning and informing management and strategic decision-making processes. The Burkina Faso Portfolio Review of 2006 notes major shortcomings in the area of M&E and notes that the problem can only be resolved with greater willingness from the country and the Bank to institutionalize it and mobilize the relevant resources needed. There is some evidence of increased emphasis on results-based management and its linkages to learning. For example in Ghana the Bank recognizes the importance of establishing baseline information and efficient M&E procedures as a basis for successful project management. Similarly the ARISP in Nigeria seeks to develop a robust M&E system but it remains unclear how lessons learned will be disseminated within and beyond the project.

106. **Sustainability.** There is evidence of increased attention to issues of sustainability at strategy level. Project level exit strategies are though often missing or inadequate. AfDB projects typically focus on building local capacity and ensuring local participation and ownership of project processes as a basis for enhanced sustainability. Project documents generally include some basic financial and economic analysis but, with few exceptions, there is insufficient attention to how recurrent costs will be covered once projects end. Evaluations (e.g. Burkina Faso Country Portfolio Review) have recommended more detailed analysis of future revenue generation at local government and community levels.

107. **Risk management.** Risks, albeit narrowly defined, are usually analyzed and mitigation measures built into project design. The Bank Group's main focus is on financial risks although the Rwanda RBCSP takes account of various other types of risk including political, financial, sector specific and AfDB specific and proposes mitigation measures for each. From a Bank Group perspective the greatest risk in many countries relates to the capacity of government and other partners to implement projects and risk management focuses mainly on issues of corruption and building government implementation capacity. Environmental risks are systematically addressed under infrastructure projects. Risks are often not included in M&E frameworks of projects and thus risk management during the life of a project appears less assured.

Box 3. Benchmarking State Performance in Nigeria

The SEEDS benchmarking exercise will foster a competitive approach that will help to shift incentives towards reform. The benchmarking process is managed by the National Planning Commission and overseen by the National Council on Development Planning and the National Economic Council - as a consensus instrument of federal and state governments. Participation of states in the benchmarking exercise is entirely voluntary and based on commitment to reform and performance. The four key areas in which the benchmarking criteria will be defined are: (i) Policy: ensuring that state governments develop and implement a strategy that advances its policy targets; (ii) fiscal management/budget process; (iii) service delivery; and (iv) communication, transparency and corruption. Benchmarking will take place on an annual basis, to measure states' trajectory of reform and enable other states to come on board. Where groups of similar performing states emerge, a limited number of states will be selected on the basis of their levels of poverty and population size. States which do not have satisfactory performance in the first year can take effective action to raise performance to become eligible in later years. The partnership with states will be driven by building a long-term strategic partnership aligned to a common agenda of achieving the MDGs, including the development of initial time-bound action plans; the provision of enhanced resources transfers, relative to a state budget, that can leverage change; working towards providing budget support and SWAPs; and supporting effective collaboration among tiers of government.

Source: AfDB Federal Republic of Nigeria Country Strategy Paper 2005-2009, p 47.

Summary

108. The Bank's ARD portfolio is generally relevant to the country context and CSPs are clearly based on country needs and priorities and closely aligned with the orientation of national and sector policies and strategies. In terms of corporate relevance and coherence the portfolio is broadly consistent with the sector and thematic priorities of the Bank. Furthermore there is substantial coherence across the ARD project portfolio. Although the focus on poverty has increased, poverty analysis is limited and linkages between growth and poverty alleviation are usually left implicit. Targeting is poverty focused but remains largely geographically oriented, not including aspects of vulnerability.

109. There is evidence of substantial alignment with national policy priorities and strategies and increasing commitment to donor harmonization. When participating in SWAs, use is made of national PFM systems. Otherwise Bank Group investments continue to rely heavily on project modalities managed through separate PMUs. Bank Group policy on alignment with domestic systems and the links between budget support and project modalities needs to be more explicit. The emphasis on policy dialogue is improved though constraints remain to practice this. Even with an increased country presence, responsibilities and resources have been redistributed at a relatively slow pace. Comparative advantage of the Bank Group vis-à-vis other donors need to be more clearly articulated.

110. Compliance with business process indicators varies substantially across countries and projects. There is clear evidence of improvements in relation to participation, sustainability and risk management. The basic frameworks for results-based management are in place though systems remain focused on accountability towards donors and government. Knowledge management and learning remain inadequate for practicing results-based management. This undermines efforts to scale up project implementation and makes it difficult to reliably assess the portfolio's overall contribution to national development targets.

B. IFAD's Portfolio

Policy Content

111. **Rural poverty focus.** IFAD's country strategies and operations display a strong focus on rural poverty. COSOPs and project design documents across the various countries reviewed generally state rural poverty reduction as their overarching objective and are oriented towards the needs of the rural poor. They normally include a detailed analysis of rural poverty (its nature, geographic distribution and causes) and discuss the links between rural poverty and ARD. In some cases, however, the country size and diversity demand more disaggregated area-specific analysis than what is provided (e.g. Sudan)²⁴. Gender specific analysis was found in different degrees across countries²⁵ and in-depth social analysis could also be enhanced.

112. IFAD treats COSOPs as a positioning document and country programme medium term strategic plan, in which IFAD's position is determined on the basis of country needs, rural poverty characteristics, relevant government policies, and the programmes of other development partners. It enables IFAD to agree with the government and development partners with respect to focus of IFAD's efforts and resources. This provides clarity, and a good opportunity for partnerships and identifying opportunities and areas for policy dialogue. In presenting the COSOP to the government, only a summary is prepared, as the document should not be longer than 12 pages. Therefore, due to space

²⁴ It is however noted that the recent Sudan country programme evaluation endorsed the geographic targeting on rain fed areas.

²⁵ In Nigeria, attention to gender was limited in the 2001 COSOP (produced under the old guidelines) but is stronger in projects such as the Rural Finance Institution-Building Programme (RUFIN) and the Rural Microenterprise Development Programme (RUMEDP).

restrictions, a large part of the analytic work is not included when the COSOPs are presented to the Board.

113. IFAD operations tend to be concentrated in areas where the rural poor are located (e.g. the Sahelo-Saharan area and the Sahelian belt in Mali, and the North and South West of Burkina Faso) although only in a few cases specific measures reaching directly the rural poor are defined – e.g. Rwanda’s Support Project for the Strategic Plan for the Transformation of Agriculture (PAPSTA)²⁶.

114. Strategy and project documents tend to be mainly focused on outputs although there is evidence that rural poverty outcome indicators are increasingly used in the new results-based COSOP and in project logical frameworks. In only some documents reviewed, however, are quantified or time-bound targets provided. The lack of intermediate or mid-term targets is a concern given the importance of results-based management as well as the need to plan ahead for mid-term reviews when adjustments to operations may be warranted.

115. **Adaptation to country context.** Analysis of the wider socio-economic and political context is often weak in IFAD COSOPs and, particularly, in project design documents. IFAD tends to focus on the analysis of the ARD sector and rural poverty. For example, the analysis of state fragility and its implications for sectoral development was considered to be insufficient in the Sudan COSOP of 2002 and projects most of the time have tended to be focused on state and locality levels rather than addressing the wider policy and institutional deficits within the sector.

116. The analysis found only a few examples where IFAD country strategies and project documents review the country context and challenges and identify specific measures to address them where they are of importance for ARD and rural poverty – in Mozambique, for example, the COSOP reviews key economic and governance challenges (poor economic infrastructure, limited decentralization and poor access to financial services) and identifies specific measures to address them, some of which are reflected in specific operations. This is exceptional good practice.

117. **Adaptation to specific sector characteristics.** COSOPs and project design documents generally provide a detailed review of the ARD sector, often including an analysis of sector opportunities and constraints. An analysis on the strengths, weaknesses, opportunities and threats (SWOT) of the main sector stakeholders is also provided in COSOPs. In a number of cases, IFAD strategy was found to build on lessons learned from its past experience in the country and key sectoral trends. For example, in Mozambique, recent operations (e.g. the Agricultural Support Programme [ASP] and the Rural Markets Promotion Programme [PROMER]) reflect the development of the agricultural SWAp and the increasing focus by government and development partners on rural markets. There is less evidence, however, of synergies with other sector initiatives and there is little reference to concrete partnerships for working in the sector.

118. **Targeting of beneficiaries.** IFAD’s target groups are usually relatively well defined. COSOPs generally include a matrix describing the poverty level, causes and priority needs of each target group and indicating IFAD programme responses. Project design documents identify and describe project beneficiaries, disaggregating the rural poor (with emphasis on the youth, women, the landless poor and smallholders), though often with lack of in-depth social analysis or identification of potential targeting constraints and ways to overcome them. In Mali, for example, it would have been useful to discuss the feasibility of targeting in a context of armed rebellion in the country side.

119. But there are signs of improvement in IFAD’s targeting approach, particularly in COSOPs and operations designed under the new IFAD targeting policy – e.g. COSOP for Rwanda and Burkina Faso, Rural Micro, Small and Medium Enterprise Support Programme (MUVI) in Tanzania, Southern Sudan Livelihoods Development Project (SLDP) in Sudan, Rural Finance Institutions-building

²⁶ PAPSTA includes specific interventions targeting directly the rural poor in the areas of watershed protection, livestock and crop development, and intensification of rice production in marshland to increase the income of the target group and improve their nutrition.

Programme (RUFIN) and Rural Microenterprise Development Programme (RUMEDP) in Nigeria. In Burkina Faso, the 2007 COSOP sets out criteria for proactive and inclusive targeting and calls for flexible and adaptive targeting, although failing to provide the details of how to do it. In Sudan, SSLDP has clear targeting criteria based on an assessment of livelihoods and gender and includes some safeguards to ensure more effective targeting. Box 4 gives an account of improvements in Nigeria. Some examples of emerging good practice are also found. For example, the Rwanda COSOP includes a matrix describing the poverty level, causes and priority needs of each target group and indicating IFAD programme responses.

Box 4. Improvements in IFAD's Targeting Approach in Nigeria

The country programme evaluation for Nigeria noted weaknesses in COSOP and previous operations in terms of focus and differentiation of target groups, including attention to gender. Recent operations, such as RUMEDP and RUFIN, show however signs of progress. RUMEDP adopts a two-pronged targeting approach including area targeting and participatory intra-community targeting, with selection criteria giving priority to states with higher incidence of poverty. RUFIN targets marginalised groups, such as women, young people and those with physical disabilities. The design documents of both operations include analyzes of the target groups, highlighting the role and constraints faced by rural women. The difficulties in targeting/involving women are analyzed in detail in RUFIN and a strategy for overcoming the difficulties is defined (e.g. addressing the legal and policy barriers for their participation in cooperatives). RUFIN also includes a checklist of prerequisites of gender-sensitive design.

120. **Comparative advantages.** At the strategy level, IFAD has a clear statement of its comparative advantage which lies in supporting small farmers, the vulnerable rural poor and rural communities through the development of innovative approaches and by harnessing the links between the micro and the meso levels in ARD. Such comparative advantage is however always assumed and limited evidence is provided on how IFAD's comparative advantage relates to the comparative advantages of other stakeholders or on how synergies could be explored and gaps bridged. The Sudan CPE notes that IFAD has a strong track record on community development and institutional support at local level but questions its comparative advantage in complex multi-sectoral project and therefore recommends refocusing on agricultural services. There is little discussion about comparative advantages at the project level across the 10 countries reviewed.

Alignment and Harmonization

121. **Alignment with domestic policies.** Alignment with domestic policies was found to be growing stronger, particularly at the strategy level. COSOP objectives, priority areas and, in some cases results indicators, are increasingly in line with national policy frameworks (e.g. PRSPs) and sector specific policies and programmes. Project objectives and activities also draw on domestic priorities as defined in policy documents and development plans. Furthermore, a few operations include specific policy support components: for example, PAPSTA in Rwanda is set to provide institutional support to the implementation of the country's Strategic Plan for the Transformation of Agriculture and includes a capacity building component aimed at strengthening capacity of major national stakeholders. Policy alignment in a fragile state like Sudan seems less robust because of the government's limited capacity, and policy vacuums – often due to the presence of competing interests – and similar issues. There are for example unresolved tensions surrounding the key issue of land tenure in Sudan.

122. The level of alignment also varies on the basis of existing ground realities and progress IFAD has made in building its capacity in terms of directly supervising its projects and enhancing its country presence. In Eastern and Southern Africa, the alignment and harmonization agenda is most advanced as IFAD has already started supervising most projects and country presence is most intense. In this light, typically in this region IFAD projects are integrated and use existing (government) structures, where possible doing away with PMUs. Also all IFAD projects disburse funds through the government system, are on-budget and use government planning, procurement and financial system and procedures. Within this, the Special Account is an account established and operated by government. Because of this integration, IFAD tries to have joint supervision missions and MTRs are done by the government, if required with some (small) IFAD support adding for example an expert to the MTR team.

123. It is also noteworthy that even if there is a PMU in IFAD projects in any country, it is not a parallel but a government PMU set within the government system and following government procedures, staffed by government staff and, where required, some additional experts (recruited by government). Therefore, such PMUs are fully compliant with the Paris Declaration.

124. **Policy dialogue.** IFAD's commitment to policy engagement and dialogue features explicitly in all reviewed results-based COSOPs. The Kenya 2007 COSOP, for example, indicates that IFAD will feed into policy debates (particularly in the horticulture and dairy sub-sectors) and will support the implementation of the agriculture sector programme (the Strategy for the Revitalization of Agriculture). In Nigeria, the COSOP sets out the importance of, and the agenda for, policy dialogue. It also identifies main areas for policy dialogue²⁷ as well as main policy interlocutors. But, with a few exceptions, the analysis of policy processes and interlocutors generally lacks depth. In order to be effective, policy dialogue needs to be supported by appropriate country presence with the necessary skills, management structures and resources. Several CPEs have documented limited progress to address such capacity gaps²⁸ although in doing so they also suggest that IFAD is committed to change. Policy dialogue is not an explicit aspect of most of the operations reviewed although there are some exceptions. PAPSTA in Rwanda provides institutional support to the country's Strategic Plan for the Transformation of Agriculture coordination, SWAp development, and capacity building at decentralized level. RUMED in Nigeria includes specific measures for supporting policy dialogue with national and state-level policy stakeholders. Also, RUMEDP's annual implementation review workshops are expected to generate policy recommendations feeding directly to policy-makers.

125. **Alignment with country systems.** Alignment with country financial management systems remains overall limited. Most IFAD operations reviewed use a conventional project funding modality with its own mechanisms and procedures: a purposely established PMU, a special bank account, use of IFAD's procurement rules, and separate accounting and reporting. There is however evidence of increasing alignment with country systems in some countries: ASP in Mozambique is part of the agricultural SWAp and IFAD disbursements are to be made into the PROAGRI basket fund account (although with earmarking to IFAD eligible expenditures) and are subject to the procurement rules jointly (by government and donors) established for PROAGRI.

126. **Donor harmonization.** An increasing emphasis on donor harmonization and partnerships is noticeable, albeit stronger in some countries (e.g. Burkina Faso, Mozambique, Rwanda and Tanzania) than in other (e.g. Morocco, Nigeria and Sudan). The analysis was inconclusive, however, with regards to the extent to which this strategic objective is being effectively translated into action. There is still little evidence of concrete donor harmonization initiatives or partnership arrangements at the level of operations – Box 5 provides an example. Limited country presence and funding for non-lending activities raise doubts as to whether IFAD has the means to fulfil its ambitions with regards to donor harmonization and the building of strategic partnerships²⁹.

²⁷ Empowerment of local communities and the involvement of NGOs and civil-society organizations, rural financial policies and regulatory framework, decentralization policies and local government budgetary reforms, and governance and accountability.

²⁸ The 2008 CPE for Sudan notes that IFAD has failed to capitalize on its strong position within the sector due to the lack of relevant capacity in-country. In response, IFAD has out posted its CPM to Sudan. The 2008 CPE for Nigeria criticizes the new COSOP for insufficient detail on how the responsibilities for policy dialogue will be allocated and the process handled, including human resource implications. The 2008 CPE for Morocco recommends that IFAD should increase its country presence to improve capacity for policy dialogue with key policy stakeholders.

²⁹ However, as mentioned previously, IFAD is moving towards providing greater guidance to staff on promoting strategic partnerships.

Box 5. IFAD Harmonisation with Other Donors in Rwanda

Donor harmonization features strongly in the IFAD COSOP. With its country presence reinforced, IFAD expects to play a more active role in aid coordination structures, particularly the Development Partners Coordination Group and in two cross-sectoral clusters (rural development and private sector). IFAD has also been improving coordination with UN agencies through its participation in the United Nations Development Assistance Framework (UNDAF) exercise and the “One UN” pilot in Rwanda. PASTA provides an example of a joint funded initiative (IFAD, the UK Department for International Development [DFID], the Netherlands and the Belgian Survival Fund) which is helping to lay the groundwork for a foreseen agricultural SWAp. Other improvements in donor harmonization include the harmonization of IFAD and DFID log frames for PASTA and the joint donor supervision mission for PASTA. Also, the newly designed operation (Kirehe Community-Based Watershed Management Project [KWAMP]) is expected to establish collaboration and harmonize its approach with other donors acting in the target area or in the same field of activities, including AfDB-financed Inland Lakes Integrated Development and Management Support Project (PAIGELAC).

127. **Partnerships.** The need for partnerships (with government, other donors, civil society organizations and the private sector) is also increasingly emphasized in COSOPs. The Rwanda COSOP describes existing partnerships and future opportunities for partnering, with several stakeholder categories included in the range of possible partners. The Nigeria COSOP indicates that partnerships will be pursued to mobilize resources, share experiences and strengthen policy dialogue with government, particularly as IFAD enters new areas of intervention outside the agricultural domain (such as with RUFIN and RUMEDP). But the growing enthusiasm for partnerships is not necessarily accompanied by substantive arrangements for cooperation. More information is needed in country strategies or projects about concrete partnership arrangements. There are however some examples of emerging partnerships. In Rwanda, a technical partnership arrangement is foreseen for the KWAMP where the AfDB, World Food Programme and the German Development Service are to lead on specific project components (e.g. the AfDB is expected to lead on feeder roads component). In Kenya, there is coordination of activities between the Smallholder Horticulture Marketing Programme (SHoMaP) and two donor-funded projects (one by the Swedish International Development Cooperation Agency [SIDA] and the other by the World Bank), which relate to horticultural input use, production and marketing. In Sudan, the Southern Kordofan Rural Development Project (SKRDP) piloted strategic partnerships with credible local NGOs although supervision reports show that cooperation has not materialized to the extent intended and the CPE noted that the partnership approach was bold but overly optimistic and unrealistic. The unpredictability of stakeholder actions in quickly changing contexts like Sudan poses challenges to the partnering objective.

Business Processes

128. As the new policy documents suggest, IFAD has been doing a lot of thinking around its business processes, particularly on policy dialogue, knowledge management and results-based management, and this is reflected in the design of COSOPs and operations. But overall, the analysis found variation across business process indicators, more so than in relation to content and alignment and harmonization indicators.

129. **Participation of stakeholders.** Stakeholder participation is normally foreseen at the various stages of the country programme and project cycle. There is evidence of consultation during programme/project design and promotion of participatory approaches during project implementation. There is however variation, across operations and countries, in the depth of participation, including the extent of direct engagement of beneficiaries in implementation. Rwanda provides an example of improved effectiveness of IFAD’s participatory methods: the 2006 CPE criticized IFAD operations for failing to engage stakeholders but the 2007 project supervision report for PASTA indicates that the Local Management and Supervision Committees established for the project (which include community development committees) have been actively involved in decision-making and monitoring of the project. MUVI, in Tanzania, has established listening groups and requires implementing partners to undertake listener surveys so that programme content is responsive to stakeholder needs.

130. **Accountability.** There is limited discussion of accountability issues across the IFAD portfolio documents reviewed. Accountability mechanisms are in place but these seem to be used mainly for

internal purposes and for a limited number of stakeholders (Box 6). On the whole, accountability seems to be mainly internal and upward rather than downward to beneficiaries. ASP in Mozambique is probably an exception as it is set to promote a new extension approach based on demand-driven service provision and accountability to end-users.

131. As mentioned earlier, IFAD's corporate results measurement framework is currently being expanded to capture a wide array of inputs, outputs and outcome related indicators. It also integrates monitoring data such as derived from the RIMS and uses the results reported by self – as well as independent evaluations. This is expected to contribute substantially towards inculcating results culture, focus on development outcomes, and thereby ensure downward accountability to IFAD's ultimate target group – the rural poor.

Box 6. Accountability Mechanisms in IFAD Project in Rwanda

PAPSTA established two steering committees which ensure a degree of accountability to national and local stakeholders. At the national level, the steering committee is led by the Ministry of Agriculture and aims to provide major policy guidance to the project, to examine and approve annual work plans and budgets, and to review annual monitoring and evaluation reports. At the district level, the steering committee is led by local authorities. Regular consultative meetings between government and donors are also expected to be organized in sectoral cluster groups, as part of the donor coordination initiative.

132. **Innovation and scaling up.** Innovative features of IFAD programmes are emphasized in COSOPs and recent operations and presented as IFAD's comparative advantage in the sector. In Rwanda, for example, the COSOP identifies opportunities for innovation across its strategic objectives and foresees partnerships with NGOs and the private sector to develop innovative approaches; PAPSTA has as one of its three components the piloting of actions through innovative models³⁰. In Nigeria, the CPE notes that IFAD has been successful in promoting pro-poor innovations in its operations.³¹ The mechanisms for scaling up successful innovations are generally less clear although there are some examples of these being put in place: PAPSTA in Rwanda will support the creation of replication mechanisms for pilot actions³² and in some cases IFAD will support directly the replication of successful experiences³³. In Nigeria, RUFIN and RUMEDP are designed to be innovative³⁴ and are also explicitly geared to replication and scaling up, with the expectation of significant complementary future involvement by major donors and increasing support from the government. Links between results-based management and the scaling up of successful pilot initiatives are however not clearly defined.

133. **Country presence.** Overall, there is limited discussion of country presence implications of IFAD country strategy objectives, including those related to policy engagement, knowledge management and direct project supervision. Only in a few cases, is country presence briefly discussed in COSOPs. The Sudan COSOP, for example, calls for enhanced country presence to improve portfolio performance although it does not specify non-lending activities, inputs or budgets. Several CPEs emphasize the need to strengthen country presence to improve IFAD's effectiveness, particularly in the areas of policy dialogue, partner coordination and direct supervision and implementation support. The Nigeria CPE notes that since a Country Presence Office was established in Nigeria in 2006, IFAD has been able to make a significant contribution at the operational level to

³⁰ Including the introduction of new technologies for soil protection, an intensive rice production system, the creation of community innovation centres and a new system of extension services based on farmer field schools.

³¹ Examples include: research on developing new pest and disease-resistant cassava varieties or the promotion of community driven development in projects in the Katsina and Sokoto states.

³² Two investment funds to enable farmers or farmers' groups to access the necessary financial resources for replication of pilot agricultural and other income-generating activities.

³³ For example, in the areas of marshland development and rice production.

³⁴ In the capacity building of participating institutions, including savings and credit groups at the community level, in training and systems development and in influencing the framing and application of policy, legislation and regulatory control and support of sector development.

the development of partner-government dialogue and relationships. It also notes however that the level of delegation of authority and resources deployed for country presence are insufficient to ensure the country office can play an appropriate role in improving IFAD activities and that funding and human resource constraints have prevented further engagement in policy dialogue, stakeholder coordination and direct supervision and implementation support.

134. With respect to country presence it must also be mentioned, however, that IFAD has allocated a budget of US\$4.7 million for 2009, which is almost five times higher than the annual budget allocated during the pilot phase. The management locus for this initiative has been elevated and inter-departmental co-ordination mechanism has been set-up.

135. **Direct supervision and implementation support.** IFAD's direct supervision and implementation support modality is increasingly being used for in Africa, especially Eastern and Southern Africa (e.g. KWAMP in Rwanda and PROMER in Mozambique). While evaluation evidence shows that direct supervision and implementation support contributes to better development effectiveness, as compared to supervision through cooperating institutions, this will increase the work burden of staff both at headquarters and those in the field, where country presence exists.

136. **Knowledge management.** Although CPEs indicate that attention to knowledge management and lesson learning has generally been limited in the past, there is evidence of improvements in new results-based COSOPs and recent operations. New (post-2006) results-based COSOPs have a dedicated section on knowledge management and communication which broadly defines the strategy for promoting information sharing, lessons learning and dissemination, albeit with varying degrees of depth. In Mali, a policy dialogue unit was put in place to strengthen knowledge management, not only for internal purposes but also for broader lessons learning and sharing with other development partners (Box 7). Recent lending operations also include knowledge management components. PROMER in Mozambique is set to collect a wealth of knowledge, information, lessons learned and best practices that will feed into IFAD regional knowledge networks and it aims to develop a 'country programme approach' which actively builds partnerships and synergies with ongoing IFAD operations. PAPSTA in Rwanda foresees the establishment of community innovation centres in project pilot areas to collect and disseminate basic information on innovative approaches. MUVI in Tanzania includes a communication component which has developed a knowledge management strategy with strong links with the M&E framework. RUMEDP in Nigeria includes, as part of its knowledge management strategy, annual implementation review workshops to assess progress and share experiences, exchange visits and policy review workshops. The extent of lesson learning of past experiences is also found to be improving. For example, in Rwanda, the COSOP reviews the findings and recommendations of the CPE and the KWAMP project appraisal report reviews lessons from the CPE and recent evaluation and supervision missions. In Nigeria, RUMEDP and RUFIN document lessons learned from past experiences in the country and elsewhere, drawing on government, IFAD and other donor experiences. But, with a few exceptions, the purpose, responsibilities and allocation of resources for knowledge management activities outside lending operations is still to be fully defined and resourced.

Box 7. IFAD's Knowledge Management in Mali

The Mali COSOP has a clear view on knowledge management and has put means in place to strengthen it, especially in the form of a policy dialogue unit. The unit is responsible for information and knowledge development as well as sharing and disseminating information and knowledge, including to other development partners. It will monitor performance of IFAD-financed programmes in Mali and ensure that lessons learned in poverty reduction are built upon. In addition to organizing exchanges of experiences between IFAD and other organizations, the unit will: (i) maintain a website on IFAD projects in Mali with hyperlinks to the websites of partner organizations; (ii) conduct field research on poverty reduction; (iii) organize IFAD participation in policy meetings; and (iv) communicate with national institutions responsible for poverty reduction and food security.

137. **Results-based management.** Results-based management is another prominent feature of new COSOPs and M&E mechanisms are found to be increasingly well defined at the project level. There remain however some important issues to be addressed. Although there have been improvements in the definition of project logical frameworks there is still some work to do to produce SMART

(specific, measurable, achievable, relevant and time-oriented) monitoring indicators with clearly defined means of verification. In countries like Sudan data gaps and the lack of reliable data sources pose challenges to improving M&E. Furthermore, with a few exceptions, project M&E is still largely used for internal management purposes – the Nigeria CPE notes, for example, that the information generated by IFAD’s Results and Impact Management System (RIMS) is limited to project outputs and activities and that information on project outcomes results, beneficiaries’ perception, sustainability and impact is scant³⁵. Linkages with country M&E systems also need to be better defined and strengthened. Rwanda provides an example of progress on this front (Box 8). Finally, M&E needs to be more clearly used as an instrument for management, lesson learning, policy formulation and accountability.

Box 8. IFAD’s Results-based Management in Rwanda

The Rwanda COSOP aims to establish a country programme-wide M&E system which is harmonized with government information systems at the national and district levels. As a first step, COSOP result indicators were selected from the Economic Development and Poverty Reduction Strategy. Projects are also expected to harmonize their data collection and reporting through strengthened M&E units. PAPSTA monitoring system will be harmonized and gradually integrated into the management information system to be developed within the Ministry of Agriculture. KWAMP is expected to be fully aligned with this, as KWAMP M&E activities will be integrated into those of PAPSTA through a common M&E unit.

138. **Sustainability.** Project sustainability is treated systematically in project design documents although often with inadequate appreciation of the changing country context and how this might affect the project. Attention to defining a clear exit strategy³⁶ is not very prominent. The common assumption is that local ownership, beneficiaries’ participation in projects and partnerships with domestic stakeholders are key to ensure sustainability. The Rwanda COSOP indicates that sustainability will be built through ensuring that projects are integrated within strong institutional frameworks, that assistance is directed primarily to exiting national/local structures and that these build up their capacity and autonomy. The Morocco CPE notes that a strong participatory approach has been a strength for the portfolio’s sustainability but it adds that sustainability also depends on technical and financial support from government agencies, which not always is available. The Sudan CPE also mentions the limited budgetary allocation for meeting recurrent costs for government-provided services, acts as an obstacle to a project’s financial sustainability. Progress on dealing with the issue of sustainability is noticeable in some countries. The Rwanda COSOP and KWAMP show stronger emphasis on sustainability issues than earlier operations and respond to the criticism made by the 2006 Rwanda CPE.

139. **Risk management.** The analysis found variation in the depth of risk analysis and identification of risk mitigation measures across countries and projects. On the whole, attention to developing a comprehensive understanding of political risks and other risks related to the broader socio-economic and environmental context needs to be strengthened. Kenya is one of the exceptions (see Box 9) although there is uncertainty about the sufficiency of the intended responses. IFAD’s internal quality assurance and quality enhancement mechanisms are putting more emphasis on risk management.³⁷ In response, recently designed operations show improvements in the quality of their risk analysis – examples include KWAMP in Rwanda, PROMER in Mozambique and SSLDP in Sudan.

³⁵ At the third level of results, RIMS will be reporting result on outcomes (assets and nutrition). Baseline surveys have been undertaken; impact surveys are due mostly in 2010-2012.

³⁶ In Kenya, the exit strategy for the Smallholder Horticulture Marketing Programme (SHoMaP) is defined as the PMU moving progressively from direct involvement in planning, budgeting and implementation to monitoring, supervision and review of lessons learned.

³⁷ ‘Risk and sustainability’ is defined in the Quality Enhancement Guidelines (IFAD 2007e) as one of the six Key Success Factors guiding quality enhancement and assurance.

Box 9. IFAD's Responses to Broad Risks in Kenya

The Kenya Joint Assistance Strategy (KJAS) identifies three broad risks that can affect the implementation of the IFAD COSOP. IFAD has outlined how it aims to mitigate these risks:

1. Lack of political will to address vested interests and politically difficult reforms: IFAD will emphasize the costs of the status quo and the benefits of reform.
2. Poor governance and corruption: IFAD will continue dialogue with the government and build capacity for improved financial management.
3. External factors (change in trade, climate change, spread of disease etc.): together with KJAS partners and dialogue with the government, IFAD will counter these risks through monitoring, dialogue, establishing partnerships with donors.

Summary

140. In sum, the selection of COSOPs and project design documents reviewed indicate that IFAD's country strategies and operations are being adjusted in the light of the new policies and guidelines, with many design improvements noticeable in a number of areas, particularly targeting, policy alignment and dialogue and knowledge management. In areas such as the analysis of the country context, stakeholder participation, sustainability and risk management there is considerable scope for further improvements. And more clarity is needed in defining the organization's comparative advantages and in defining the rationale for donor coordination and partnerships. The question is whether programmes and projects will be able to operationalize key reform initiatives (e.g. implementation of the targeting policy, innovation strategy, direct supervision, etc.) and whether current country presence arrangement and non-lending activities and resources are sufficient to respond to the additional requirements and expectations.

C. Examples of Good Practice

141. This section of the report provides an overview of existing and emerging good practice within the two agencies' portfolios. The term 'good practice' is used here to refer to cases where the most ambitious ranking levels in the analytical framework (levels 3 and/or 4 – c.f. section 3) are found in a substantial way. Given the focus of the portfolio analysis on strategies and project design documents, in some of the cases the examples might refer to intentions by the organizations rather than accomplished facts. Examples of good practice, defined in this way, were found across all the 18 indicators reviewed by this study. This section highlights some of these. A more detailed list of good practices is provided in Appendix 4.

Good Practice on Policy Content

142. Good practice on policy content issues relates to the agencies' efforts to link their country strategies to national and sectoral policy frameworks and poverty reduction needs assessments. Mechanisms used to ensure that country strategies are responsive or linked to country and sector contexts include: reviews of country and sector contexts and previous experience to identify appropriate interventions, the use of thematic results matrices and SWOT analyzes of key sector stakeholders to identify gaps and potential areas of intervention. The ways in which the agencies have ensured that their strategies contribute to poverty reduction include: improved targeting strategies, detailed analysis of previous experiences to ensure identification of pro-poor activities and increased use of poverty outcome indicators.

143. Both organizations have attempted to improve their targeting strategies. However, IFAD has been more committed to targeting on local level with good practices observed in many of the countries reviewed. In Kenya, IFAD has put in place a focal development area approach to improve geographical targeting. In Ghana, IFAD has conducted an analysis of the feasibility of targeting focusing on aspects of access to resources and social protection. In Rwanda, the appraisal report for

KWAMP discusses the constraints to targeting women and proposes a gender mainstreaming approach.

Good Practice on Alignment and Harmonization

144. Good practice in alignment with national policy includes mechanisms for working through government systems and building national policy priorities and monitoring indicators into the agencies' country strategies. In Mozambique, the AfDB's M&E framework is based on the government's performance assessment framework for the PRSP. IFAD has aligned with national institutions in Tanzania by mainstreaming project coordination units within the lead implementing government agency.

145. There are also some examples of good practice in strengthening capacity of national systems. The AfDB, given its broader mandate, is supporting the developing of PFM systems in several countries. Some IFAD projects include capacity building components focusing on planning and budgeting capacities (e.g. SSLDP in Sudan).

146. Examples of good practice in aligning with PFM systems are less abundant. IFAD has made good progress in countries like Tanzania, Mozambique and Kenya. In Tanzania IFAD funds are channelled via national treasury and are aligned with the MTEF and budget cycles. There are more examples of alignment with PFM systems for the AfDB since the agency is providing general budget support in a number of countries.

147. Improving policy dialogue and engagement with national stakeholders is an objective for both organizations. IFAD is however more advanced and offers various examples of good practice. In Ghana, each project is supported by a Programme Development Implementation Partnership which is forum for stakeholder coordination including major policy stakeholders for the specific operation. In Nigeria, RUMEDP will have annual implementation review workshops which are expected to generate policy recommendations feeding directly into policy making.

148. Joint review missions (e.g. AfDB in Mozambique), participation in Joint Assistance Strategies (e.g. AfDB in Tanzania), and active engagement in donor coordination groups (e.g. IFAD in Kenya and Rwanda) illustrate good practice in donor harmonization. In countries where the organizations are not working within a donor harmonization framework, attempts have been made to coordinate interventions by reviewing donor practices in intended areas of intervention and by establishing coordination units. For instance, in Mozambique and Burkina Faso the IFAD COSOP lists other ARD sector donor activities and potential for synergy with IFAD. In Burkina Faso the establishment of a regional coordination committee is foreseen in order to operationalize synergies.

149. There is also emerging evidence of good practice in trying to build a base for partnerships with government and donors. Better partnerships with the government are likely to emerge in countries where the organizations have carried out detailed reviews of the institutional and policy framework and have designed their interventions to support these frameworks. In terms of partnerships with donor partners, there are examples where the organizations have reviewed in detail ongoing donor activities in areas of common interest and this could potentially provide the basis for effective donor division of labour and help identify comparative advantages.

Good Practice on Business Processes

150. Good practice on business process issues varies across the two agencies. IFAD seems to be doing particularly well on innovation and knowledge management, with a number of examples of emerging good practice. The AfDB's portfolio offers more examples of good practice on results-based management and risk management.

151. Innovation is a strong feature in IFAD operations, and it is presented as the organization's comparative advantage. There are some examples of innovation promotion by IFAD, even though greater attention is required to replication and scaling up. In Rwanda, IFAD will work with

international NGOs, farmer organizations and private sector to develop innovative institutional and technical approaches (e.g. conservation farming, new forms of water retention, inclusive rural development). In Sudan, the Western Sudan Resources Management Project (WSRMP) supports the resolution of conflicts over resource management by building capacity of local institutions for improved local governance.

152. Knowledge management is another prominent element of IFAD COSOPs and recent operations. Good practice examples of knowledge management include: the establishment of a Policy Dialogue Unit in Mali which will be responsible for knowledge development and sharing and disseminating information, feeding project-related information into regional knowledge networks (e.g. in Ghana and Mozambique), the establishment of community innovation centres in Rwanda (under PAPSTA) to collect and disseminate basic information on innovative approaches.

153. Both agencies have been building results-based management into their country strategies and projects. It is worth highlighting AfDB's use of thematic results matrices (e.g. in Nigeria and in Mozambique), which establish a results chain between AfDB interventions, outputs and outcomes to be achieved under the CSPs, and link these with the country's long term development objectives.

154. Good practice on risk management is more evident in AfDB operations. In Kenya, the Bank has identified external and project-related risks and has defined mitigation strategies to address them. In Tanzania, a direct link is established between the M&E framework and the risk management. In Mozambique, the Massingir Dam and Smallholder Agriculture Rehabilitation Project includes a comprehensive set of environment mitigation measures.

V. IMPLICATIONS FOR RELEVANCE, COMPARATIVE ADVANTAGES AND PARTNERSHIPS

A. The Relevance Paradox: Is the Gap Closing?

155. The JE's review of past performance (also referred to as meta-evaluation) posed a paradox: that relevance scores high in project and country evaluations, but effectiveness and impact is less satisfactory. What does the portfolio analysis say about this paradox?³⁸

156. There is evidence in the portfolio analysis that the two organizations have 'smartened up their act' to a considerable degree in terms of new policies and compliance with them, although there is still some way to go. However, at this point, this is to be expected, as change takes time to take effect. This would be especially true of the decentralization AfDB has instituted. Change in the two organizations has responded to the two institutional evaluations which focused predominantly on organizational, process and governance issues.

157. The assumption of the institutional evaluations and of the changes underway is that relevance is not the problem and that the agencies have broadly got content right. In ARD they are both supporting and in IFAD's case serving as a catalyst of the widespread move towards community-based rural development over the last 15 years. IFAD focuses on developing models of community-based rural development which can be scaled up, and the AfDB focuses on rural infrastructures and scaling up successful innovations experimented by other organizations.

158. The 'high relevance' finding of the meta-evaluation needs therefore testing. While this will be addressed more fully in the final joint evaluation report, the portfolio analysis can already draw some conclusions:

³⁸ The Meta-Evaluation is though not that straightforward on the issue of relevance and notes that "*between a third and a half of the projects rated as satisfactory are only partly so leaving plenty of scope for improving relevance*". It moreover mentions inconsistencies of some high relevance ratings with more detailed project evidence, showing that attention to issues of relevance at project level is needed. This is even more the case at the level of country programmes and sector strategies where relevance is mostly rated as just satisfactory. OPEV and OE, 2008: p. 19.

- Neither agency yet pays sufficient attention to risk, and develops measures to manage or mitigate it. In the African rural environments they operate in, with a relatively high risk profile, this aspect of country strategy and projects cannot be underestimated. Where risk is taken seriously – by AfDB – it is defined in a very narrow way as financial risk, reflecting the fact that this is a Bank. There are isolated cases of other risks being addressed – political risk by IFAD in Kenya. When risk (e.g. risks of natural hazards, conflict, change in relative prices or macro-economic parameters) have been addressed comprehensively – embedded in strategy and design processes - it has begun to lead to different emphases in the content of project designs and country strategies. The question is whether this can be accommodated by an additional focus/component, or whether the basic nature of activities needs to change. Risk issues which are peripheral to a project could suddenly become the central focus. To a degree this has happened in projects seeking to take account of conflict over natural resources. The limited emphasis to risk may be a reason for significant changes in project content during the project’s lifetime, observed in a number of projects.
- A more disaggregated poverty analysis (being undertaken by IFAD but not yet the Bank Group) would also naturally lead to a more differentiated approach to increasing incomes or empowerment. It is unlikely that this can always be contained in the same broad community-based approach to rural development, where this is the approach adopted.
- A deeper analysis of policy process and policy interlocutors and their demands, expectations and needs would also conceivably lead to changes in strategy and design. This is happening incrementally: for example, the increasingly frequent search for market-based rather than production-oriented approaches to agricultural and rural development. Many policy makers have urged a market-based approach, which would lead to significant changes in the content of country strategies and project designs. In particular, greater interaction with policy makers will take project staff out of their local area project ‘bubble’ and challenge the assumptions which operate within the ‘bubble’.
- The past weak performance on sustainability in IFAD-supported projects in Africa and elsewhere can be explained by several factors, sometimes in combination: the difficulties governments have in taking on multi-component projects – they are simply not set up for this sort of work; the absence of negotiation and real commitments from project start on recurrent financing from competent bodies; the negotiation of projects with one ministry (usually Finance) while supervision and implementation rest with another (e.g. Agriculture). The lesson is that exit strategies need to be planned from the beginning. If this were done, greater reliance even at project design stage would be placed on counterpart bodies, and they would have to have more of an influence than is currently the case. In turn this could lead to changes in the content of projects in order to address the sustainability question. All donors have tended to skirt around these sustainability issues rather than confront them head on. Either they can be confronted in a given context; or the criterion should be abandoned at least temporarily until progress has been on civil service and public expenditure reform (e.g. in fragile states or regions).

159. In summary, action to address acknowledged deficits such as those noted above with regard to approaches to strategy and project design would almost certainly lead to significant changes in the focus and content of assistance, rather than processes and procedures. It is a matter of ‘doing the right things’ as well as ‘doing things right’.

160. There is a further related point about complex multi-component projects. These exist partly because expectations are extremely high, and multiple objectives are not often adequately prioritized and sequenced according to context and realities on the ground. Where capacity issues in local government counterpart organizations are extreme (e.g. Sudan) sustainable implementation of projects with multiple components is an extremely demanding challenge. The focus on community-based

development often leads to a demand for basic services, which are not currently being supplied due to weak financial flows to the local authorities which are supposed to provide them, and to the very weak capacity of these bodies. Under these circumstances it is difficult to deliver effective results in agriculture and rural development results without engaging more widely in explicit partnerships on basic services.

B. Becoming Knowledge Organizations for Policy Dialogue?

161. The portfolio analysis shows that new results-based country strategies are announcing a greater focus on knowledge management and policy engagement, and therefore addressing some of the determinants of poor non-lending performance identified by the meta-evaluation. But neither organization has yet effected the difficult transformation into a full-fledged knowledge organization, which policy dialogue requires. There is as yet no strong project-policy feedback loop. IFAD appears to be moving faster in this direction though – it is beginning to learn lessons both from its projects and wider experience to feed into policy, and building in policy support components to project design.

162. In both cases, the rationale for greater country presence needs even stronger articulation. The reality would appear to be, as anticipated in the business processes review, that strong country offices get absorbed in supervision, troubleshooting, procurement, financial management and monitoring. This leaves little time for linking projects and policy, learning lessons, instituting feedback loops. Country presence needs to be articulated primarily with reference to the organizations' objectives at country level. Given that the administrative jobs also need to be done and well, this suggests that the levels of country presence established so far, and the staff skills and incentives need to be looked at again.

C. Opening to Harmonization and Partnership: but Strategic Change Still Awaited

163. There are moves across both organizations' portfolios towards partnerships, but they have remained opportunistic for two reasons:

- The allocation of limited resources to developing partnerships, which would permit analysis of synergies, and exploring the options for practical partnership arrangements. Partnership is time consuming, and does not fit easily with pressures to deliver projects.
- The attention to analysis of comparative advantage of potential partners as a basis for developing a division of labour is increasing from a low base.

164. Enhanced country presence is making a difference to the degree to which coordination and harmonization of policies can be pursued, and this is one basis for partnerships among development partners. But neither organization has yet ventured into aligning sufficiently with country financial and other systems (such as M&E), which would create a stronger basis for partnership with country institutions, and for harmonization with other development partners.

165. And both organizations are somewhat hesitating to devolve resources and power to country representations, even taking into account those cases in IFAD with out posted CPMs. This does not yet appear to be a constraint on partnership development (in its current co-financing modality), but will rapidly become so if a more serious and strategic approach is taken.

166. A complementarity analysis of the AfDB's and IFAD's strengths and weaknesses shows that there are a number of ways in which their strengths and weaknesses are complementary (Table 2).

Table 2. Areas Where AfDB and IFAD are Complementary

	Strengths	Weaknesses
AfDB	<ul style="list-style-type: none"> • Macro-analysis and project macro links • Analysis of comparative advantage in CSPs • Scaling up community driven development 	<ul style="list-style-type: none"> •Poverty not disaggregated •Activities not selected in the basis of poverty analysis •Targeting •Project-policy feedback loops missing •Weak ARD sector analysis
IFAD	<ul style="list-style-type: none"> • Community-based development approach • Disaggregated poverty analysis, and improving targeting • Growing portfolio of policy support components • Strong analysis of ARD sector 	<ul style="list-style-type: none"> •Some explicit lesson learning, but knowledge management objectives outside project unclear •Little analysis of country context and impact in ARD •Inadequate involvement in policy process beyond the project level

VI. CONCLUSION

167. The portfolio analysis summarized in this report aimed to provide evidence on the extent of lesson learning and change in AfDB and IFAD’s recent country strategies and ARD operations in Africa.

168. The two organizations have been addressing much of the criticism made by the institutional evaluations and adopting many of the suggested recommendations. For example, the AfDB has been undergoing a process of organizational decentralization which aims to have 45 per cent of staff in the field. It has also introduced changes to business processes, including the use of results-based management, aimed to improve quality at entry, service delivery and country focus. Recent international trends have led to a refocus on ARD and the Bank is currently revising its ARD policy. IFAD, on the other hand, has been investing quite significantly on improving its operational policies and guidance in a number of areas, including quality assurance and enhancement, knowledge management, targeting and direct supervision and implementation support. However, new corporate policies and the changing operating context call for strengthened country presence and delegation of authority to the country level which to some extent is being addressed through growing country presence.

169. The portfolio analysis confirms that change is underway in both organizations with several ongoing initiatives aimed to improve performance and development effectiveness. Design processes are being adjusted in line with new policy directions and business process models. Country strategies are not only becoming better aligned with country policy priorities but are also becoming a more strategic tool for guiding operations, with improvements noticeable in context analysis, lesson learning from previous experiences, focus on poverty outcomes, emphasis on policy dialogue, management for results, etc.

170. Project design is also being enhanced and some of the portfolio performance constraints identified by the meta-evaluation are being addressed. IFAD has been focusing particularly on improving targeting, and building knowledge management and policy engagement into project components. AfDB has improved its poverty focus and strategic selectivity of interventions. Both organizations have been making progress in terms of aligning operations with country policies, strengthening stakeholder participation across the project cycle and building up M&E systems (although the latter are still largely used for internal project management purposes and insufficiently aligned with country systems).

171. There is still some way to go on a number of issues if the ‘relevance paradox’ is to be properly addressed. This is not surprising, as change of the kind set in motion takes time to produce effects on outcomes. In moving forward important gaps (most of which were identified by the joint evaluation

meta evaluation and business processes review) to bear in mind include: risk analysis and management, sustainability and exit strategies, in-depth analysis of the policy context and processes, capacities and skills for policy engagement, and attention and responsiveness to the broader and changing context (particularly for IFAD). Improvements required in technical aspects, need to be complemented by improvements in associated organizational aspects and the underlying organizational culture and values.

172. Greater clarity and definition of strategy is also required in several areas. Comparative advantages should be analyzed rather than assumed and the analysis should be used as a basis for exploring synergies and potential partnerships with other development partners. The strategy, purpose and operational implications of the current policy positions on policy dialogue, knowledge management and donor harmonization also need to be clearly articulated. Strengthened policy engagement and donor coordination requires suitable field presence (i.e. adequate skills, resources and delegation of responsibilities) and systems for generating, capturing and managing knowledge and information

List of Documents Reviewed

AfDB Documentation

Burkina Faso

- Country Strategy Paper, 2005-2009.
- Portfolio Review Report, 2006.
- Community Investment Project for Agricultural Fertility, Appraisal Report, 2004.
- Decentralized Rural Development Support Project, Appraisal Report, 2006.
- Project supervision reports.
- Project monitoring and evaluation reports.

Ghana

- Northern Rural Growth Programme (jointly financed with IFAD, 2007).
- Afram Plains Agricultural Development Project, 2006.
- Export Marketing and Quality Awareness, 2005.

Kenya

- Country Strategy Paper, 2005-2007.
- Small-scale Horticultural Development Project, Appraisal Report, July 2007.
- Kimira-Oluch Smallholder Farm Improvement Project, Appraisal Report, February 2006.

Mali

- Country Strategy Paper, 2005-2009.
- Proposal for an ADF Loan of UA 14,920,000 to finance the Baguineda Irrigation Scheme Intensification Project.
- Proposal for an ADF Loan of UA 15,000,000 to finance the project in Support of the Development of Animal Production in the South Kayes Area..

Morocco

- Country Assistance Evaluation, May 2008.
- Projet de développement rural dans les zones montagneuses de la province d'errachidia, Appraisal Report, vol. I, II et III, June 2007.

Mozambique

- Country Strategy Paper, 2006-2009.
- Massinger Dam and Smallholder Ag. Rehab Project, Appraisal Report, 2007.
- Women's Entrepreneurship and Skills Development, Appraisal Report, 2005.
- Gender Profile Report

- Country Governance Profile
- 2005 Country Portfolio Review and Action Plan.
- Southern Africa Regional Strategy, 2004.

Nigeria

- Country Strategy Paper, 2005-2009.
- Country Strategy Paper, 2005-2009, Corrigendum.
- Agriculture and Rural Institutions Support Project, 2005-2008.
- Support to the National Programme for Food Security, 2007-2012.
- Country Portfolio Performance Review, December 2004.
- Country Portfolio Improvement Plan, 2005.
- CSP Mid-term Review (scheduled for end 2006/early 2007).

Rwanda

- Results-based Country Strategy Paper, 2005-2007.
- Inland Lakes Integrated Development and Management Support Project Appraisal Report, October 2003, and corrigendum.
- Bugesera Agricultural Development Support Project, Appraisal Report, June 2006.
- Evaluation of AfDB Assistance (CAE), OPEV 2004 (covering the period 1994-2002).

Tanzania

- Country Strategy Paper 2002-2004, May 2003, and Country Strategy Paper JA2002-2004 Update, May 2006.
- Agricultural Sector Development Programme, Phase I, Appraisal Report, June 2007.
- District Agriculture Sector Investment Project (2005-2011), Appraisal Report, November 2004.

IFAD Documentation

Burkina Faso

- Country Strategic Opportunities Programme, 2007.
- Agricultural Commodity Chain Support Project, Report and Recommendation of the President, 2006.
- Small-scale Irrigation and Water Management Project, Report and Recommendation of the President, 2007.
- Sustainable Rural Development Programme, Report and Recommendation of the President, 2004.

Ghana

- Northern Rural Growth Programme, Appraisal Report.
- Root and Tuber Improvement Programme, Appraisal Report, November 2007.
- Ghana Country Programme Evaluation, 1996.

Kenya

- Country Strategic Opportunities Programme, August 2007.

- Smallholder Horticulture Marketing Programme, Appraisal Report, volume I, Main Report, July 2007 (to be implemented between 2008-2014).
- Smallholder Dairy Commercialization Project, Report and Recommendations of the President, December 2005.

Mali

- Country Strategic Opportunities Programme, 2007.
- Kidal Integrated Rural Development Programme, Report and Recommendation of the President, 2006.
- Northern Regions Investment and Rural Development Programme, 2005.

Morocco

- National Rural Roads Programme, 2007.
- Country Strategy Paper, 2007-2011.

Mozambique

- Country Strategic Opportunities Paper, 2004.
- Agricultural Support Programme, Appraisal Report, 2005 and Report and Recommendation of the President, 2006.
- Rural Finance Support Programme, Report and Recommendation of the President, 2003, and Supervision Report.
- Rural Markets Promotion Programme, Programme Design Document, draft, May 2008.
- Project supervision, mid-term reviews, and project completion reports.
- Programme priorities for the Eastern and Southern Africa Region (there is a PowerPoint presentation by the regional Director dated April 2008).

Nigeria

- Country Strategic Opportunities Paper, 2001 (prior to new guidelines on results-based COSOPs).
- Rural Microenterprise Development Programme, Appraisal Report and Appendices, October 2007, and Proposed loan and grant document, (December 2007).
- Rural Finance Institution-Building Programme, Appraisal Report and Appendices (November 2006) and Report and Recommendation of the President, September 2006.
- Country Programme Evaluation, draft June 2008 (covers RUFIN and RUMEDP, amongst other).

Rwanda

- Country Strategic Opportunities Programme, 2008-2012.
- Rural Small and Micro Enterprise Promotion Project, phase 2, Appraisal Report, October 2003.
- Support Project for the Strategic Plan for the Transformation of Agriculture, Appraisal Report, July 2005 and Report and Recommendation of the President, September 2005.
- Kirehe Community-Based Watershed Management Project, Project Design Report, draft, May 2008.
- Country Programme Evaluation, 2006.
- Support Project for the Strategic Plan for the Transformation of Agriculture, Supervision and Output-to-Purpose Review Report, IFAD and DFID, 2007.

Sudan

- Country Strategic Opportunities Paper, 2002.
- Western Sudan Resources Management Programme, 2004.
- Southern Sudan Livelihoods Development Project, 2008.
Country Programme Evaluation, draft 2008.

Tanzania

- Country Strategic Opportunities Programme, 2007-2013.
- Agriculture Sector Development Programme-Livestock: Support for Pastoral and Agro-Pastoral Development, Report and Recommendation of the President, September 2005 and December 2005.
- Rural Micro, Small and Medium Enterprise Support Programme, Appraisal Report and working papers, 2006.

List of People Interviewed at IFAD and AfDB Headquarters**IFAD – Rome (21-25 July 2008)**

- Mr. Mohamed Béavogui, Director, Western and Central Africa Division (PA)
- Mr. Nadim Khouri, Director, Near East and North Africa Division (PN)
- Mr. Luciano Lavizzari, Director, Office of Evaluation (OE)
- Mr. Ides de Willebois, Director Eastern and Southern Africa Division (PF)
- Mr. Andrew Brubaker, Evaluation Officer, OE
- Mr. John Gicharu, Country Programme Manager
- Mr. Mohammed Manssouri, Country Programme Manager
- Mr. Alessandro Marini, Country Programme Manager
- Mr. Abdelaziz Merzouk, Country Programme Manager
- Mr. Ashwani Muthoo, Senior Evaluation Officer, OE
- Mr. Shaun Ryan, Programme Assistant
- Mr. Leopold Sarr, Country Programme Manager

AfDB – Tunis (10-12 September 2005)

- Mr. Frank N. Black, Director Country and Regional Programs Dept. Regional South 2
- Mrs. D. Gaye, Director Country and Regional Programs Dept. Regional East 2
- Mr. Colin Kirk, Director, Operations Evaluation Department
- Mr. Aly Abou-Sabaa, Director Agriculture and Agro-Industry Department (OSAN)
- Mr. I. Amadou, Country Task Manager
- Mr. Ferdinand Bakoup, Officer in Charge, Country and Regional Programs West 1
- Mr. Touba Bedingar, Principal Agricultural Economist, Focal Person Food Crisis
- Mr. Abdoulaye Dagamaissa, Country Task Manager
- Mr. Douglas, Compliance and Safeguards, Results and Quality Assurance Team
- Mr. Martim de Faria e Maya, Chief Country Program Officer
- Mr. D. Keita, Acting Manager OSAN 2
- Mr. C. Ojukwu, Manager, OSAN 1
- Ms. Patricia N. Laverly, Senior Country Program Officer
- Mr. Rafea Marouki, Principal Agricultural Economist
- Mr. Stefan P.C. Muller, Country Economist
- Mr. Detlev Puetz, Principle Evaluation Officer, Operations Evaluation Department
- Mr. Chi Lawrence Tawah, Country Task Manager
- Mr. Philippe R. Trape, Senior Regional Country Program Officer and Country Economist

Analytical Framework Matrix

Indicator	Indicator Ranking 1 - 4 ³⁹	Rank	Indicator Ranking Notes	Changes in Behaviour Evidence?	Good Practices Example?
Policy content indicators					
1. Rural poverty focus: understanding of ARD linkages; inclusion of specific pro-poor measures and use of poverty outcome indicators (relevance)	1 – Poverty focus reflected in key objectives +				
	2 – Diagnosis of linkages between ARD and poverty +				
	3 – Specific pro-poor measures implemented +				
	4 – Development and use of poverty outcome indicators				
2. Adaptation to country context: specific measures to adapt to wider challenges and efforts to promote a more conducive operating environment (relevance and performance)	1 – Review of country context, experience & lessons learned +				
	2 – Further detailed analysis of key challenges +				
	3 – Specific measures to adapt to contextual challenges adopted +				
	4 – Efforts to promote a more conducive operating environment				
3. Adaptation to specific sectoral characteristics: focus on key drivers of sectoral change and synergistic links with other sectoral initiatives (relevance and performance)	1 – Review of sector status and key characteristics +				
	2 – Identification of potential and constraints to performance +				
	3 - Strategic interventions and partnerships to address +				
	4 – Synergies with other sector initiatives demonstrated				

³⁹ From least ambitious (1) to most ambitious (4).

Indicator	Indicator Ranking 1 - 4 ³⁹	Rank	Indicator Ranking Notes	Changes in Behaviour Evidence?	Good Practices Example?
4. Targeting of beneficiaries , strategies for targeting the poor and different groups among them (e.g. women, minorities, etc.) (relevance and performance)	1- Description of targeting strategy of the project (e.g. wealth ranking, geographical, landholding classification, self-targeting) +				
	2 – Profile of country strategies and projects’ targeted beneficiaries is well defined – the rural poor are sufficiently disaggregated (e.g. gender) +				
	3 - Project documents identify potential targeting constraints and ways to overcome them +				
	4 - Adaptation of targeting based on changes experienced over the life of the project which have been monitored (project induced as well as other changes based on context)				
5. Making use of comparative organizational advantages / niches / value addition (relevance)	1 – There is no clear indication that the project builds on organizational comparative advantages and/or these are not made explicit, no mention of comparative advantages of partner organizations				
	2 - Description of the agency’s comparative advantages in the country/project area in alignment with agency strategic objectives				
	3 - Project makes explicit use of the organizations’ comparative advantage and reflects the agencies strategic objectives				
	4 - Project makes use of the organizations’ comparative advantage as well as of the comparative advantage of partner organizations, combining and dovetailing mutual advantages				

Indicator	Indicator Ranking 1 – 4 ⁴⁰	Rank	Indicator Ranking Notes	Changes in Behaviour Evidence?	Good Practices Example?
Alignment and harmonization indicators					
6. Alignment with domestic policies: Depth of agency alignment with domestic policy priorities (national, local and sector-specific) (relevance and partnership)	1- Domestic policy priorities (at national, local and sector-specific levels) are well identified in country strategies +				
	2 – Priorities/areas of intervention in country strategies are based on domestic policy documents (such as poverty reduction strategies or other, and ARD sector-specific policies) +				
	3 - Project objectives and areas on intervention draw on domestic policy priorities as defined in policy documents +				
	4 - Project design is based on country development plans and implemented in ways that make maximum use of national capacities /mechanisms while further enhancing these				
7. Alignment with domestic PFM systems: Depth of agency alignment with domestic public financial management systems (performance and partnership)	1- Policy of alignment with national PFM systems is expressed in country strategies +				
	2 - Relationship between the loan/grant management and the national PFM systems (e.g. MTEF and budget cycle) is explained in project design documents +				
	3 – Project management uses elements of domestic PFM systems (e.g. funding recorded on budget, procurement rules...) +				
	4 - Projects are managed according to domestic PFM systems and procedures				
8. Policy dialogue, extent to which agencies engage with policy processes at country level (relevance and partnership)	1 – Strengthening policy dialogue with country stakeholders stated as an objective in country strategies				
	2 – Key policy interlocutors and existing policy fora are well defined in country strategies				
	3 - Specific measures for supporting policy dialogue with country stakeholders included in project design				

⁴⁰ From least ambitious (1) to most ambitious (4).

Indicator	Indicator Ranking 1 – 4 ⁴⁰	Rank	Indicator Ranking Notes	Changes in Behaviour Evidence?	Good Practices Example?
	4 – Links with domestic policy formulation and implementation are built into project implementation (e.g. feedback on lessons learned)				
9. Donor harmonization: Depth of harmonization initiatives between the agency and other development partners (e.g. partnerships, division of labour, common funding mechanisms) (partnership and performance)	1- Development partners consulted in formulation of country strategies and project design +				
	2 - Agencies participation in donor harmonization initiatives specified (e.g. Joint Assistance Strategy) +				
	3 - Donor harmonization initiatives specified in country strategies +				
	4 - Donor harmonization initiatives built into project design				
10. Partnerships , nature and depth of partnership strategy and arrangement (partnership)	1 – The need for partnerships is emphasized in country strategies/programmes but insufficient details on how build them				
	2 – Possible partners and opportunities for partnership are identified in country strategies/programmes				
	3 – Partnering arrangements established at programme/project level (e.g. co-funding, joint assessments, links with other donor-funded programmes, etc.) but no clear guiding strategy				
	4 – There is a well defined strategy on partnerships which has clearly been operationalized at programme/project level				

Indicator	Indicator Ranking 1 - 4 ⁴¹	Rank	Indicator Ranking Notes	Changes in Behaviour Evidence?	Good Practices Example?
Business process indicators					
11. Participation of stakeholders , inclusion and participation of stakeholders, including beneficiaries, in project design, implementation and monitoring and evaluation (relevance and performance)	1- Project design documents describe how stakeholders will participate in the project +				
	2 – Actual participation of key stakeholders but in isolated/disconnected stages of the project cycle +				
	3 – Actual participation of key stakeholders in all phases of the project cycle +				
	4 – Participation beyond the project level and use of participatory poverty assessments (indirect participation), as part of country strategy				
12. Accountability , the extent to which accountability mechanisms are in place regarding accountability towards various stakeholders (performance)	1 - There is a limited amount of M&E for internal functioning but not used for accountability purposes towards various key stakeholder groups				
	2 - Accountability is towards a limited number of stakeholders and these do not include project participants and other local groups				
	3 – Mechanism for reporting on results management framework indicators to national stakeholders (including target groups) well defined				
	4 - Project has established regular means of accountability towards keys stakeholders including target groups and has complaints and feed-back mechanisms in place				

⁴¹ From least ambitious (1) to most ambitious (4).

Indicator	Indicator Ranking 1 - 4 ¹	Rank	Indicator Ranking Notes	Changes in Behaviour Evidence?	Good Practices Example?
13. Innovation and scaling up , the extent to which the project enhances innovations and has develops means for scaling up of project implementation (relevance)	1 - Very limited attention to aspects of innovation and scaling up of project activities				
	2 - Project design documents describe the approach to ensure scaling up of the project approach at project closure				
	3 – Scaling up of innovation included in the final phases of the project cycle but disconnected from targeting and M&E system				
	4 – Innovation and scaling up included throughout the project design and project implementation, linked with targeting and requirements of M&E system, reflecting and building on lesson learned from past experience				
14. Field presence , the extent and quality of field presence, including nature of supervision (relevance and performance)	1 – Agency field presence requirements are analyzed and discussed in country strategies +				
	2 – Agency field presence requirements are applied at project level +				
	3 – Direct supervision and implementation support is built into project design +				
	4 – Field offices have more delegated functions which were previously at headquarters level				
15. Knowledge management , the extent to which the project develops, manages and uses knowledge to inform project implementation (relevance and performance)	1 - M&E is used for project management and/or accountability purposes, but not for learning as such				
	2 - Documentation and lesson learning planned for on the level of the project				
	3 - Documentation and lesson learning measures on the level of the project with all the various parties concerned. A dissemination strategy in place in order to				

Indicator	Indicator Ranking 1 - 4 ¹	Rank	Indicator Ranking Notes	Changes in Behaviour Evidence?	Good Practices Example?
	share learnings with other key stakeholders involved				
	4 - M&E is used for lesson learning on the level of the project and informs the programming of the various partner agencies involved, project M&E is used beyond the level of the project itself				
16. Results-based management , the use of a framework that describes the results chain of how project activities are linked to achieving project goal and objectives (performance)	1 - The results-based management framework is weak and lacks internal logic and coherence and is therefore a weak basis for learning and accountability				
	2 - There is a clear results-base framework which was developed as part of the design by one or few stakeholders				
	3 - There is a results-based management framework in place with clear objectives, and quantifiable and time-bound indicators which is used for analysis of results and which is agreed amongst key stakeholders				
	4 - The results-based framework is the basis for enhanced learning and accountability within the project amongst key stakeholders				
17. Sustainability , the extent to which project activities are viable and their results can be sustained over time, after the end of the project (relevance and performance)	1 – Little attention paid in design documents to aspects of phase out and sustainability and to efficiency.				
	2 – Attention to aspects of sustainability and efficiency without a clear exit strategy and without efficiency issues further influencing project implementation				
	3 - Project design docs include a clear formulation of an exit strategy, project design docs include a summary of project financial and economic analysis, including key data such as internal rates of return				

Indicator	Indicator Ranking 1 - 4 ¹	Rank	Indicator Ranking Notes	Changes in Behaviour Evidence?	Good Practices Example?
	4 – Project design has a clear exit strategy looking at various aspects of sustainability and the M&E system includes means to monitor key changes concerning aspects of internal rates of return and sustainability of project processes and outcomes				
18. Risk management , the extent to which risks that endanger the project to achieve its objectives are assessed and mitigation measures put in place (performance)	1 – Minimal attention paid to risk (like borrower’s absorptive capacity and debt burden, corruption and environmental risks) and their management				
	2 – Key risks have been identified but no measures are included in the design in order to mitigate those risks during project implementation				
	3 – Risks have been identified to a considerable degree and a limited number of mitigation measures is included in order to manage risks				
	4 - Project design documents identify risks - and identifies safeguards and measures to mitigate these during the life of the project				

Examples of Good Practice

Issues	AfDB	IFAD
Rural poverty focus	<p>AfDB's CSP in Mozambique has compared the Bank's portfolio distribution per region with the poverty headcount per province and recommended a greater focus on the Northern Provinces.</p> <p>In Burkina Faso, the PADAP will conduct a socio-economic survey based on which it will specify gender-specific performance indicators.</p> <p>In Kenya, the Bank's results-based frameworks have poverty specific indicators.</p>	<p>IFAD has carried out a detailed poverty analysis in many countries to improve its targeting strategies. For example, In Nigeria, IFAD's interventions are linked to a priority needs assessment and aim at addressing the causes of poverty.</p> <p>In Kenya, IFAD has reviewed the livelihood strategies of the rural poor and selection of activities under projects specifically include activities that will be adopted by the rural poor.</p> <p>In Mozambique, the newer projects in IFAD's portfolio have improved in terms of the use of poverty outcome indicators.</p>
Adaptation to country context and sectoral and characteristics	<p>In Kenya, the AfDB has reviewed specific aspects of the sectoral context, like land use and tenure policies and has designed project interventions accordingly.</p> <p>In Nigeria the Bank's interventions are based on a review of previous experience carried out through a technical review of the National Programme for Food Security.</p> <p>AfDB has also used thematic results matrices and tables to depict the rationale for portfolio interventions in the context of country and sector needs. In Nigeria the CSP uses a thematic result matrix to illustrate how strategic interventions have been linked to relevant National Empowerment and Economic Development Strategy (NEEDS) pillars thus highlighting how they link to the broader contextual challenges identified.</p>	<p>In Rwanda, IFAD has carried out a SWOT analysis of key stakeholders to identify capacities and gaps.</p> <p>In Kenya, IFAD has reviewed previous experience and introduced changes to enhance the operating environment (rolling audits, decentralized PMU's, etc.).</p>
Alignment with policy and governance frameworks	<p>AfDB has aligned with national institutions in Burkina Faso, Mozambique and Kenya.</p> <p>In Burkina Faso, The Decentralized Rural Development Support Project (DRDSP) will be run by a 'Coordination Team' within the Ministry of Agriculture. However, it is not clear how this differs from a PMU.</p> <p>In Mozambique, the CSP M&E mechanisms are based on the PARPA/Performance Assessment Framework matrix.</p> <p>In Kenya, the projects will be implemented by Government institutions. For instance, the PCU staff of SHDP will be deployed by the Government. The results-based framework is linked to the IP-ERS.</p> <p>In Burkina, the Directorate of Cooperation within the Ministry of Finance coordinates international assistance. The AfDB is working with the Government to develop a coordination strategy and put in place an operational M&E system.</p>	<p>IFAD has aligned with national institutions in Tanzania, where the IFAD loan and grant funds are distributed through the national treasury. Project coordination units are fully mainstreamed within the lead implementing government agency. M&E will also be carried out by private IPs and will conform to the MKUKUTA Poverty Monitoring System.</p> <p>Alignment is also strong in Mozambique where IFAD is supporting a component of the agricultural SWAp (PROAGRI).</p> <p>IFAD projects in Sudan aim at strengthening the capacity of state government to facilitate equitable economic planning (WSRMP). The most recent project (SSLDP) seeks to establish planning and budgeting capacity where none exists. It supports the Local Development Fund grant mechanism and provides a rationale behind the proposed grant making/disbursement mechanism and its relevance in the post-conflict context.</p>

Issues	AfDB	IFAD
Alignment with country PFM systems	<p>In Mozambique, the Bank is committed to providing direct budget support. The Bank's strategy is to increase the percentage of support relying on GoM PFM and procurement systems from 9 per cent in 2005 to 40 per cent by 2009. However, the links to PFM are not clear in project documents.</p> <p>In Tanzania, the Bank provides budget support for the PRSP. Based on a review of its experience with providing budget support, the Bank is now contributing to the ASDP-I basket fund. It will also use the MTEF, District Agricultural Development Plans, and grant transfers to strengthen existing government systems.</p> <p>In Morocco, the Bank has aligned its operations to the national procurement laws and regulations.</p>	<p>IFAD has aligned with PFM systems in Mozambique, Kenya and Tanzania.</p> <p>In Mozambique, the ASP harmonizes financial management procedures (procurement, disbursement, accounts and audit) under PROAGRI.</p> <p>In Kenya, under SHoMaP, the annual budget for the programme will be sent to the Ministry of Agriculture for entry into the Ministry's MTEF and then into the Government's Printed Estimates.</p> <p>In Tanzania, IFAD loan and grant funds are distributed through the national treasury and are aligned to the PFM cycle and MTEF. Under the projects the flows of funds is channelled via the implementing Ministry and are aligned to the Ministry's annual work plan and budget.</p>
Harmonization	<p>AfDB is committed to joint reviews in Mozambique.</p> <p>In Tanzania it conforms to the Joint Assistance Strategy. The Bank's, selection of regional intervention also conforms to the Government of Tanzania's strategy to allocate specific regions and districts to specific donors as a means of streamlining donor intervention and avoiding overlaps.</p> <p>In Mozambique and Burkina Faso the IFAD COSOP lists other ARD sector donor activities and potential for synergy with IFAD.</p> <p>In Burkina the establishment of a regional coordination committee is planned in order to operationalize synergies.</p>	<p>IFAD is committed to the harmonization agenda in Rwanda. It has reinforced its field presence and will play a more active role in the Development Partners Coordination Group.</p> <p>In Mali, IFAD participates in coordination frameworks for the rural sector through the IFAD grant-funded Policy Dialogue Unit.</p> <p>In Kenya, IFAD participates in donor coordination and sector working groups and it also aims at balancing an increased field presence with its commitment to the harmonization and alignment.</p>
Targeting of beneficiaries	<p>In Mozambique, the Bank has an explicit focus on gender and project documents have a gender profile.</p> <p>In Nigeria, the profile of ultimate beneficiaries has been disaggregated by poverty, gender, HIV and specific measures to overcome gender inequality have been implemented under SNPFS (women in agricultural project). The Bank's projects will also be carried out in the southern states where no other donor is implementing agricultural activities.</p>	<p>In Kenya IFAD aims to enhance targeting by putting in place a focal development area approach to improve geographic targeting. Target groups are disaggregated and activity selection is pro-poor.</p> <p>In Tanzania, IFAD has disaggregated the poor and identified causes of poverty. It has analyzed the role of identified projects in contributing to poverty alleviation in rural areas to ensure that targeting is effective.</p> <p>In Ghana, targeting takes into account geographic, sector and social dimensions. An analysis of the feasibility of targeting has also been carried out focusing on aspects of access to resources and social protection.</p> <p>In Mali, the NRI programme distinguishes social groups and identifies aspects of vulnerability specific to each group.</p> <p>In Rwanda, the COSOP includes a matrix describing the poverty level, causes and priority needs of each target group and indicates IFAD programme responses. Target groups have been selected on the basis of the 2006 HH survey. KWAMP discusses the constraints to targeting women and proposes a gender mainstreaming approach.</p> <p>In Sudan, SSLDP has clear targeting criteria based on an assessment of livelihoods and gender and includes some safeguards to ensure more effective targeting.</p>

Issues	AfDB	IFAD
		<p>Also in Sudan, the Western Sudan Resources Management Programme has effectively mainstreamed the participation of women at state and local extension offices and in community development councils. Mainstreaming has been enabled due to the preparation of a strategy on gender mainstreaming developed and elaborated at the PCU by the Women Development Officer.</p>
Stakeholder participation	<p>In Kenya, under the SHDP the Bank will focus on organizational aspects and training of communities in participatory approaches and technical design preparation.</p> <p>In Burkina Faso, both projects in the portfolio aim at ensuring stakeholder participation in all stages of the project cycle via a demand-led approach to project implementation by the Village Development Committees. The PICOFA has also ensured active participation of local population in diagnosis of baseline situation.</p>	<p>In Kenya, the demand driven nature of IFAD-funded SHoMaP ensures stakeholder participation. For instance, stakeholders in each district will determine the three horticultural crops that they consider to be the most important in terms of their potential for poverty alleviation. The requirement for groups to become a legal entity to obtain project support is an important way to ensure sustainability and effectiveness. ‘Grassroots approach’ based on a MODE process (farmers participation & empowerment; demand driven service delivery; partnerships) adopted under SDCP will facilitate sustainable participation as it will enable small holders to demand access to services at competitive prices.</p> <p>In Mali, IFAD’s NRI programme envisages beneficiary participation in all stages including M&E. Participation will build on local administration capacity for pro-poor planning and policy making.</p> <p>In Rwanda, the COSOP uses a community-based participatory diagnosis approach to actively involve communities in decision making and monitoring.</p>
Policy dialogue	<p>In Nigeria, promoting/participating dialogue is a key objective of the AfDB country office. AfDB will initiate a dialogue with the government through the NEEDS process and the A-PSF.</p>	<p>In Kenya, IFAD has pinpointed specific aspects on which it will engage in policy dialogue (mainstreaming, participatory targeting etc.) and it has identified the specific policies it will feed into/help develop (It is not clear if there is budget for this).</p> <p>In Tanzania, the COSOP aims at facilitating stakeholder dialogue in the SWAP process. It will be the medium for dialogue.</p> <p>In Ghana, each project is supported by a Programme Development Implementation Partnership, which includes major stakeholders for the specific operation. Most projects have a policy dimension. For instance, a component of the rural finance programme aims to support the Ghana micro-finance policy.</p> <p>In Rwanda, IFAD has identified specific areas for policy dialogue across its three strategic objectives. The COSOP also aims to support the involvement of farmers’ organizations in country programme management and in agri-trade negotiations and national/regional development initiatives.</p> <p>In Mozambique, the COSOP focuses on empowering the rural poor to play an active role in decision making at a local and national level by supporting small-scale producer organizations and promoting local partnerships for development.</p> <p>In Nigeria, the Field Presence Office established in 2006 will facilitate policy dialogue. The COSOP has identified issues for dialogue and identified the main policy dialogue interlocutors. At a project level, the RUMEDP annual implementation review workshops will generate policy recommendations feeding directly into policy making.</p>

Issues	AfDB	IFAD
Accountability	<p>In Burkina Faso, each project will form a steering committee chaired by the Ministry and composed of the main implementing partners (including civil society representatives).</p> <p>In Rwanda, the PADAB's information management system is used to disseminate information about project performance. Quarterly reports are distributed to stakeholders.</p>	<p>In Rwanda, two steering committees established under PAPSTA aim at ensuring accountability at a national and a district level. The national level steering committee will be led by MINAGRI to provide major policy guidance to the project and to examine and approve annual work plans and budgets. At the district level it will be led by local authorities.</p> <p>In Mozambique, the ASP extension approach is based on demand-driven service provision and accountability to end users. Under PROMER processes will be put in place to systematically document, capture, analyze and disseminate learning from national market linkages projects and programmes including PROMER.</p>
Comparative advantage	<p>In Morocco the Bank has identified its comparative advantage as infrastructure development. It is leading in this area whilst other donors are pulling out. It is not clear what donor/government input has there been on defining CA.</p>	<p>In Tanzania, IFAD has carried out a donor group mapping exercise to identify its comparative advantage and fill existing gaps and build on interventions.</p> <p>In Kenya, IFAD has carried out a SWOT analysis of its operations and has had discussion with donors and the government to identify its comparative advantage.</p> <p>In Ghana, IFAD identifies its comparative advantage as building partnerships between the local and macro level of decision making.</p>
Innovation	<p>In the AfDB portfolio in Burkina, both projects aim at scaling up initiatives. PICOFA will pilot test activities and then fine tune them before scaling them up using the CDD/LDF model piloted successfully by other agencies and projects.</p>	<p>IFAD's COSOP's discuss innovation in most countries. These mostly relate to changes in operation style. For instance, in Kenya it refers to the use of private-service sector providers to enhance capacity building. The SHoMaP project will pilot the innovative diagnostic use of market chains and refine these during the course of the programme.</p> <p>In Rwanda, pilot activities under the COSOP at community innovation centres will develop novel agricultural & environmental practices for nation wide dissemination. The PAPSTA project is expected to introduce innovative institutional and technological approaches & grants will support the development of partnerships with NGOs and private sector to develop innovative approaches.</p> <p>In Mozambique, ASP and PROMER have innovative features including the institutionalisation of knowledge management capacity within government and the adoption of a 'country programme approach' that will build partnerships and synergies within ongoing IFAD programmes.</p> <p>In Sudan, the WSRMP supports the resolution of conflicts over resource management by establishing institutions for improved local government.</p>
Field presence	<p>The Bank's Country Office in Nigeria plays an important role in coordinating activities with other donors and providing technical advice and guidance to EAs/PIUs. Project documents specify supervision arrangements. Staff is being increased to enhance the capacity of the NGCO.</p>	<p>In Rwanda, IFAD is directly supervising the new operation, KWAMP. Supervision will focus on the achievement of project objectives, innovation and methodological developments.</p> <p>IFAD has also established a country office in Tanzania and will do so in Kenya.</p>

Issues	AfDB	IFAD
Knowledge management		<p>In Tanzania, the MUVI project has developed a Knowledge Management Strategy which is funded through grants. The Knowledge Management Strategy has two dimensions: collecting and connecting. It will achieve this through new evaluation approaches like, Most Significant Change (MSC), Outcome Mapping (OM), and Knowledge Harvesting Approach. Knowledge Management is established on a solid base from the start. For instance it includes an audience research phase & knowledge audit and uses M&E tools (MSC, OM) that will provide information on changes and gains. Links established between M&E and knowledge management will ensure that M&E is 'repackaged' and disseminated.</p> <p>In Ghana, knowledge sharing and learning mechanisms include: FIDAFRIQUE (the internet based regional network of IFAD operations); the Rural Development Hub, the Rural Poverty Portal and 'Learning Notes' that feed into IFAD learning; Programme Development Implementation Partnership also plays an advisory, planning and partnership role.</p> <p>In Mali, the Policy Dialogue Unit will support knowledge management. The unit is responsible for information and knowledge development as well as sharing and dissemination of information and knowledge. The unit will draw on M&E data.</p> <p>In Rwanda, IFAD will promote knowledge management through information systems connecting projects, local/national authorities, & professional organizations so that information on project achievements and lessons learn is disseminated and influences policy dialogue. For this purpose, community innovation centres have been established under PAPSTA to collect and disseminate basic information on innovative approaches. Management information systems within MINAGRI have also been established.</p> <p>In Mozambique, PROMER aims at collecting information and feeding it into regional knowledge networks like those promoted by IFAD through the regional thematic programme on 'Strengthening Support Capacity for Enhanced Market Access and Knowledge Management' and the FIDAFRIQUE regional networking programme.</p> <p>In Nigeria, the Rural Micro enterprise Development Programme has a clear knowledge management strategy in place. Key features include: collection and dissemination of information through community based business information centres; annual implementation review workshops to assess progress and share experiences; exchange visits; policy review workshops.</p>

Issues	AfDB	IFAD
Results-based management	<p>In Mozambique, thematic results framework shows how long term strategic goals link to outputs and outcomes issues in priority sectors.</p> <p>In Nigeria, the thematic results matrix links the pillars of the CSP and the pillars of the NEEDS. The matrix establishes a results chain between Bank interventions, intermediate indicators, outputs and outcomes to be achieved under the CSP in order to contribute to Nigeria's long term development objectives.</p>	<p>In Rwanda, a country programme-wide M&E system will be established and harmonized with information systems at the national (including the Economic Development and Poverty Reduction Strategy's monitoring system and MINAGRI's information management system) and district levels. This system will coordinate M&E activities across IFAD's portfolio.</p> <p>In Mozambique, PROMER will set up a Planning, Monitoring and Evaluation Framework which will track and verify achievements of programme outputs and outcomes. PM&E will be guided by the logical framework.</p>
	<p>In Rwanda, the Bank has aligned its results-based framework to the governments. Thus AfDB assessment is based on annual PRSP progress reports produced by the government and is also linked to the performance assessment framework associated with the budget support arrangement. The project site has information about the project's performance.</p>	<p>In Sudan, the AWPB outlines links between outputs and project planning and budgeting. There is a dedicated budget for results-based M&E of \$265000.</p>
Sustainability	<p>In Nigeria, the SNPFS builds on local participation and the capacity of local institutions to respond to beneficiary needs to ensure sustainability. ARISP will develop a comprehensive HR development strategy and institutional performance indicators handbook, and strengthen capacity for financial management, in order to promote rational and efficient use of ministry resources. Attention is also given to exit strategies – projects will be administered by permanent FMARD staff and recurrent costs will be met by the government budget.</p> <p>In Kenya, Stakeholder ownership, income generation and demand-driven aspects of projects will facilitate sustainability.</p> <p>In Tanzania, increased harmonization, using government employees and ownership and participation are expected to ensure sustainability.</p> <p>Similarly, in Mozambique no new project management structure will be created under the Women's project. It will be managed through the existing structures of the National Directorate for Women. Salaries of staff on the project are already included in the national budgets.</p>	<p>In a number of IFAD portfolio's sustainability and exit strategies are based on stakeholder participation and ownership. For instance, In Rwanda, sustainability and an exist strategy is based on ensuring that from the start interventions will be implemented by the appropriate local agencies, with support, training and capacity building to ensure the continuation of income generating and asset protecting activities. In Nigeria, RUMEDP aims at promoting full participation and commitment of stakeholders from the start of the programme; building the capacity of the public and private sectors to continue providing services; and encourage beneficiaries to share costs.</p> <p>In Sudan, community sub-projects are selected only where the proposals are accompanied by a clear explanation of the way in which they will be operated and maintained by communal action and/or local tax revenues.</p>

Issues	AfDB	IFAD
Risk management	<p>In Kenya the Bank has identified external and project related risks and has defined management strategies. For external risks related to political economy, the Bank will increase dialogue with the Government and will oversee recruitment of project staff to avoid corruption. For project risks related to adverse impacts on water resources, the project design has incorporated the use of water extraction permits.</p> <p>In Tanzania, M&E is expected to play a role in managing risks.</p> <p>In Mozambique, the Massinger dam project includes a comprehensive set of environmental mitigation measures.</p>	
Partnerships	<p>In Burkina Faso, PICOFA includes detailed analysis of rural sector institutions and partnership potential. Partnership arrangements with communes and VDCs including modalities for accessing LDF funds are clearly set out in procedure manuals developed in collaboration with other projects such as the National Land Management Programme.</p>	<p>In Rwanda, the COSOP includes a matrix that identifies complementary donor initiatives and partnership/synergy potential. A technical partnership arrangement has been established in the operation (KWAMP) where the AfDB, World Food Programme and the German Development Service are expected to lead on specific project sub-components.</p>

Bibliography

- AfDB (1994) “Report of the Task Force on Project Quality for the African Development Bank, The Quest for Quality” (Knox Report), April.
- AfDB Group (1999) “Operations Manual”, African Development Bank Group, September.
- AfDB Group (2008) “Decentralization Practical Operational Guidelines”, African Development Bank Group, May.
- AfDB (2003) “Guidelines for the Assessment of Financial Management Arrangements in Bank Group’s Financed Projects”, African Development Bank, August.
- AfDB (2004) “Stepping up to the Future: An Independent Evaluation of ADF-VII, VIII and IX”, Operations Evaluation Department, African Development Bank, August.
- AfDB (2006) “Annotated Format for Bank Group Results-Based Country Strategy Paper (RBCSP), African Development Bank, September.
- Binswanger and McCalla (2008) “The Changing Context and Prospects for Agricultural and Rural Development in Africa”, working paper produced for the Joint Evaluation.
- Gayfer and Kabell (2008) “Partnerships Assessment”, working paper produced for the Joint Evaluation.
- IFAD (2005a) “An Independent External Evaluation of the International Fund for Agricultural Development”, Office of Evaluation, International Fund for Agricultural Development, September.
- IFAD (2005b) “IFAD’s Action Plan to Improve its Development Effectiveness”, International Fund for Agricultural Development, December.
- IFAD (2006a) “Proposal for a Revised Framework for Results-Based Country Strategic Opportunities Programmes”, International Fund for Agricultural Development, September.
- IFAD (2006b) “Proposal for a Revised Approval Format for Projects Report and Recommendation of the President for Projects”, International Fund for Agricultural Development, September.
- IFAD (2006c) “Targeting Policy”, International Fund for Agricultural Development, November.
- IFAD (2006d) “Guidelines for Preparation and Implementation of a Results-based Country Strategic Opportunities Programme”, International Fund for Agricultural Development, December.
- IFAD (2006e) “Policy on Supervision and Implementation Support”, International Fund for Agricultural Development, December.
- IFAD (2007a) “Strategy for Knowledge Management”, International Fund for Agricultural Development, April.
- IFAD (2007b) “Results Measurement Framework for reporting on progress achieved against the IFAD Strategic Framework 2007-2010”, International Fund for Agricultural Development, September.
- IFAD (2007c) “Strategic Framework 2007-2010”, International Fund for Agricultural Development.

IFAD (2007d) “Corporate-level evaluation of the Field Presence Pilot Programme”, Office of Evaluation, International Fund for Agricultural Development, August.

IFAD (2007e) “Quality Enhancement for Project Design: Guidelines for Internal Project Review”, Programme Management Department, International Fund for Agricultural Development, December.

IFAD (2007f) “Quality Assurance: Guidelines for QA Function and Process”, International Fund for Agricultural Development, December.

OPEV and OE (2008) “A Meta-evaluation of Past Performance”, working paper produced for the Joint Evaluation.

Peñalver (2008) “Business Processes and their Impact on Results”, working paper produced for the Joint Evaluation.