



8th Replenishment

IFAD's new operating model

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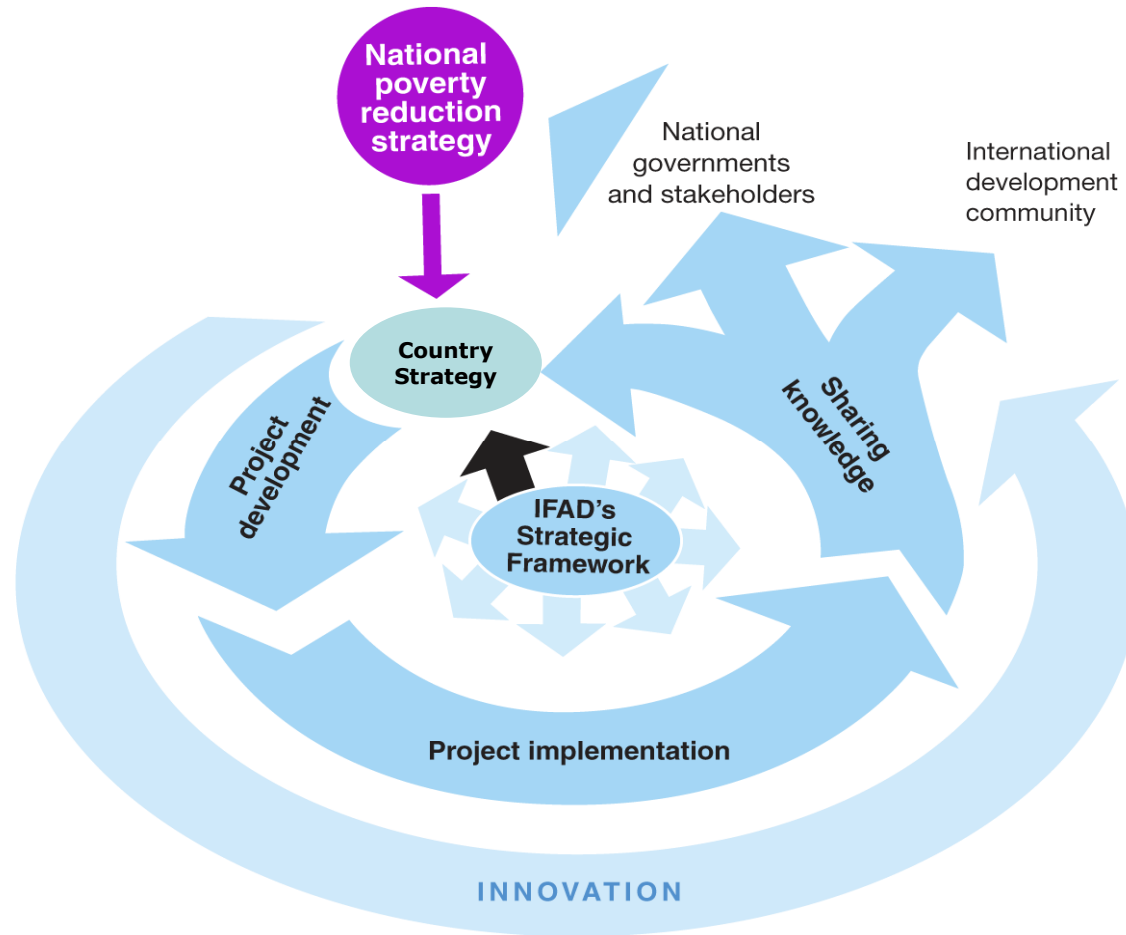
IFAD's new operating model is response to Independent External Evaluation's recommendation to improve the following:

- **Country strategies**
- **Project effectiveness and sustainability**
- **Monitoring and evaluation systems, measurement of impact and results**
- **Project readiness for implementation**
- **Project supervision**
- **Participation in country-level aid coordination, government agriculture plans, cofinancing**
- **Knowledge-sharing within IFAD, between IFAD and partners**

New operating model, or how IFAD will undertake its operational work

- **Key elements of new operating model include:**
 - IFAD's new Strategic Framework
 - New content and approach to IFAD country strategy: Results-based COSOP
 - New project design process and techniques: designing for implementation
 - New internal review process for country strategies and projects
 - New approach to project implementation and IFAD's role in supervision
 - New approach to partnerships at country, regional and global levels
 - Feedback: bringing IFAD knowledge into new country strategies and operations
 - Identifying and experimenting with innovations and scaling up
 - Greater country presence
 - Measuring and reporting on results

New operating model diagram

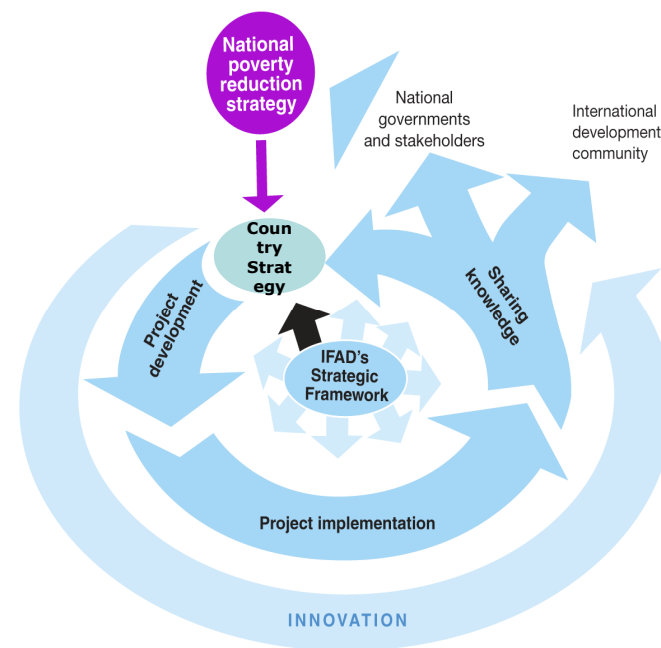


Enabling poor rural people to overcome poverty



IFAD's new Strategic Framework sets out its development objectives

- **Strategic objective:** poor rural men and women in developing countries have better access to, and have developed the skills and organization to take advantage of:
 - Natural resources (***land and water***);
 - Improved ***agricultural technologies*** and effective ***production services***;
 - A broad range of ***financial services***;
 - Transparent and competitive ***agricultural input and produce markets***;
 - Opportunities for rural ***off-farm employment and enterprise development***; and
 - Local and national ***policy and programming processes***.

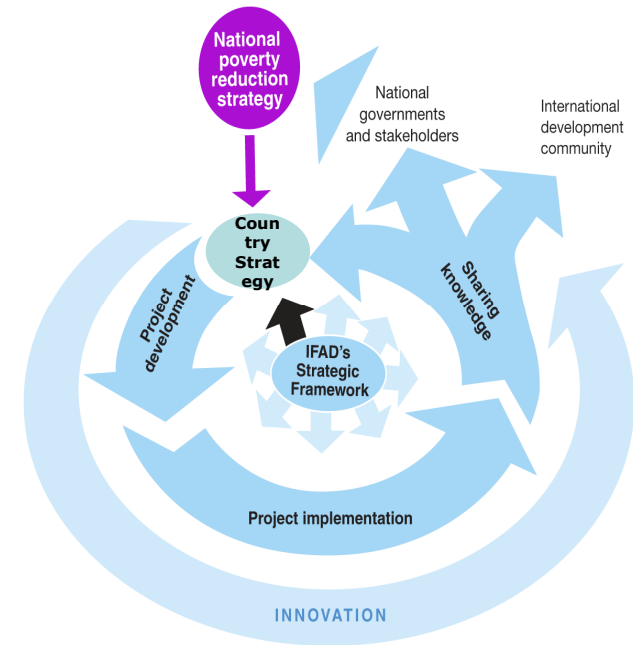


Principles of engagement

- **Selectivity and focus**
- **Innovation, learning and upscaling**
 - IFAD's role to innovate, and through experience promote upscaling by governments and donors
- **Share knowledge**
- **Target the poor, through empowerment**
- **Effective partnerships and local ownership**
 - Local partnerships sought with farmers' organizations, women's groups, indigenous peoples' groups, civil society organizations, donors and international organizations
 - Fit within government programs
- **Sustainability**
 - Need to improve sustainability of project impact – key factors are: local ownership and building skills of target group

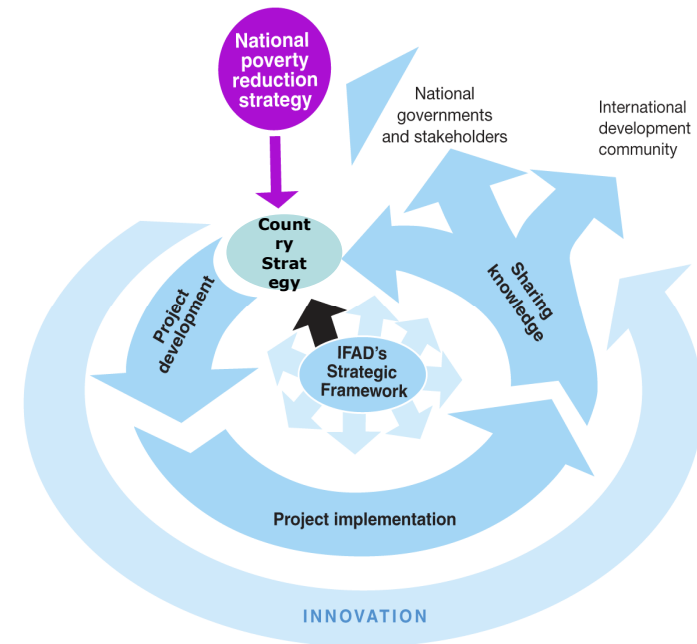
IFAD country strategy: what's new?

- **Results-based Country Strategy (COSOP):**
 - Defines IFAD country programme and projects
 - Drawn from confluence of government's rural development program and IFAD's Strategic Framework
 - Country Program Management team (CPMT) responsible
 - CPMT includes IFAD, local, government and other donors
- **Early review** of draft COSOP by senior management and peer reviewers
- **Joint country strategies** with other IFIs
- **IFAD's impact** on country **monitored** through:
 - Client survey
 - Paris Agenda survey
 - Monitoring of targets in country results framework



Project and program development: what's new?

- Projects identified in **country strategies**
- Country program management team (**CPMT**) **responsible**
- IFAD project **design guidelines** focused on implementation rather than board reporting (short board reports) and project files available
- **Knowledge management and innovation** built in
- **Training of IFAD staff** in design approaches
- Scale up/**cofinance with** other donors
- **Technical review** of projects involves non-IFAD and IFAD reviewers, based on key success factors central for project success
- Arms-length project **quality assurance** before negotiation
- **Executive Board** input earlier
- **Independent evaluation** of impact by the Office of Evaluation at loan completion



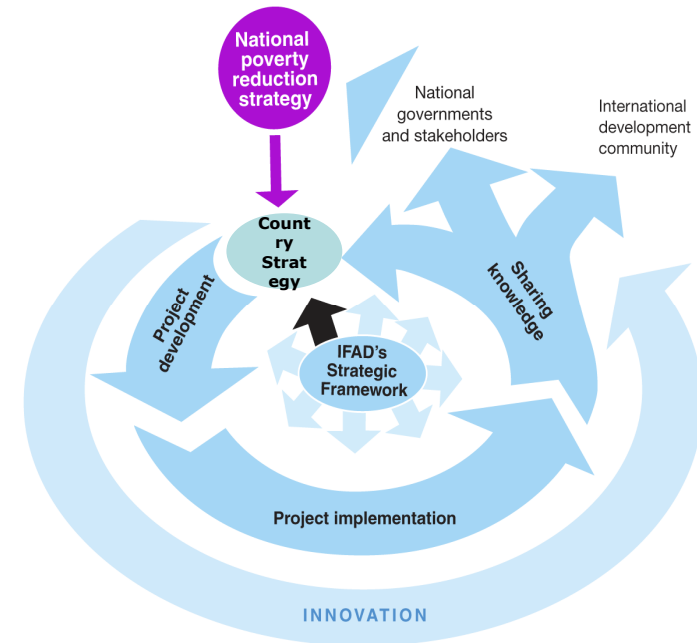
Key Success Factors for IFAD projects and programs



- 1. Country relevance, ownership and partnerships strong**
- 2. Poverty, social development, targeting handled**
- 3. Alignment with IFAD Strategic Framework, Rural Development Policy analysis, lessons learned and country results framework**
- 4. Implementation arrangements and institutional aspects to be solid**
- 5. Risks and sustainability dealt with**
- 6. Innovation, learning and knowledge management built in**

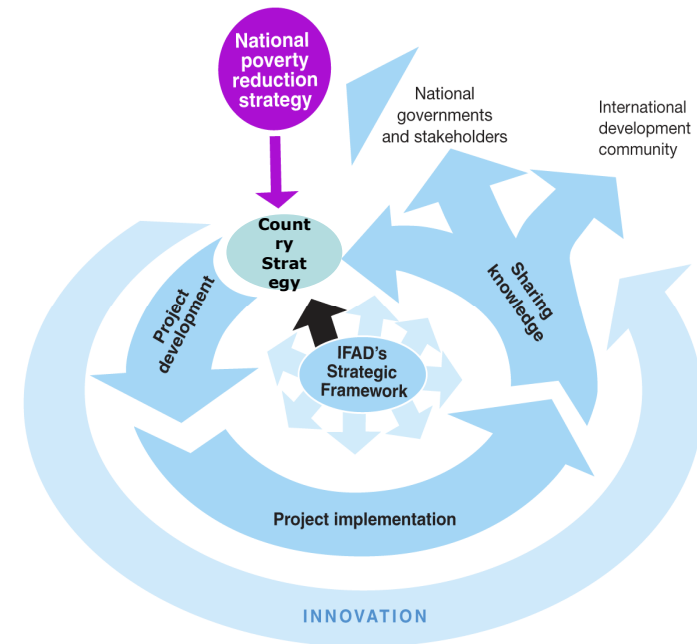
Project implementation and supervision: what's new?

- **Supervision of projects by IFAD** rather than Cooperating Institution
- **Supervision training** for all operating staff
- **Funding IFAD supervision** by shifting funds from Cooperating Institutions
- Supervision to help **solve project problems**
- **Joint supervision** with cofinanciers and government oversight agency
- **CPM to organize** supervision
- IFAD **portfolio to be reviewed** by management and Executive Board once p.a.
- **Learning from supervision** built into design of new projects
- **Innovations** identified and scaled up
- But, to be continued (not new): **implementation of projects managed locally by locals, not by IFAD**



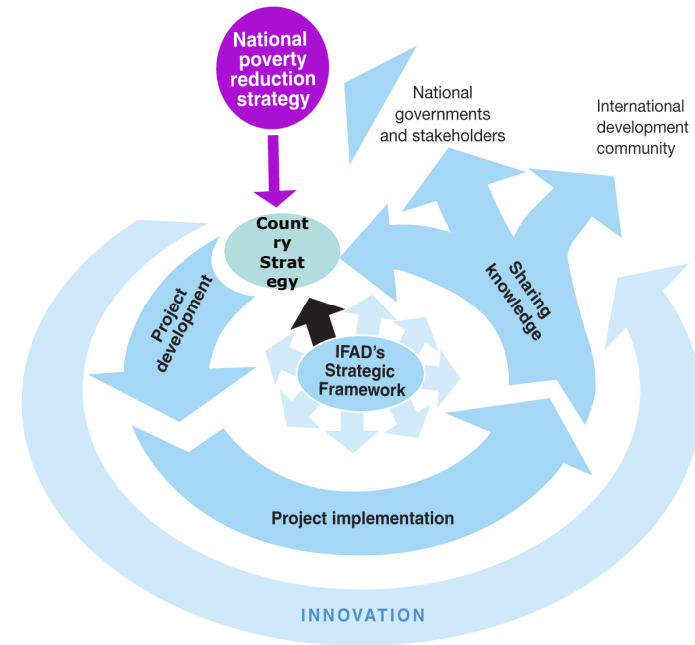
Knowledge-sharing and measurement of results

- **Impact of country strategy measured by:**
 - Independent review of IFAD's adherence to Paris agenda
 - In-country surveys of government, civil society, farmers' groups, donors
 - Monitoring of results framework at country level
- **Impact of projects measured by:**
 - IFAD's independent Office of Evaluation
 - Quality assurance at entry by independent consultants
- **Tracking variables from M&E systems:**
 - Measuring number of beneficiaries, impact on poverty reduction, target groups (women, indigenous people, lowest income groups), nutrition impact
- **Results, and knowledge shared with partners:**
 - Feedback to government and into IFAD country strategies and project development



Requires IFAD country presence: criteria for expansion of IFAD country presence

- Demand by government
- Size of IFAD program
- Policy discussions, project design, implementation support, supervision require country presence?
- One-UN/Paris Declaration objectives require country presence?
- Can be done at reasonable cost
 - fits in budget
- Adequate administrative arrangements possible
 - base it in UNDP, FAO or WFP



Results from IFAD-financed projects improving rapidly

RESULTS	% of projects designed in 1995-2001 period rated satisfactory by IEE	Medium term 2010 Target established by IFAD's Board (% of projects rated satisfactory)	Latest results 2006/2007 (% of projects satisfactory)
Project effectiveness at completion	61%	80%	78%
Satisfactory impact on poverty at completion	37%	70%	75%
Satisfactory impact on learning, scaling up and/or knowledge management at completion	25-55%	70%	65%
Sustainable at completion	40%	80%	63%
Satisfactory country strategy impact on food security	n.a.	80%	86%

Possible new approaches under future modification of operating model

- **Mobilize remittances for rural development**
- **Partner with private sector investors and farmer associations (possible equity investments by IFAD and assuming lending risk by IFAD for sub-sovereign borrowers) to offset commercial interests only and to tap new financing and skills**
- **Partnerships with foundations**
- **More focus on climate change and environmental issues as entry point for development (GEF, Global Carbon Fund)**
- **New arrangements with middle-income countries (selling knowledge products, brokering MIC involvement in low income countries)**

Thank you for your attention.