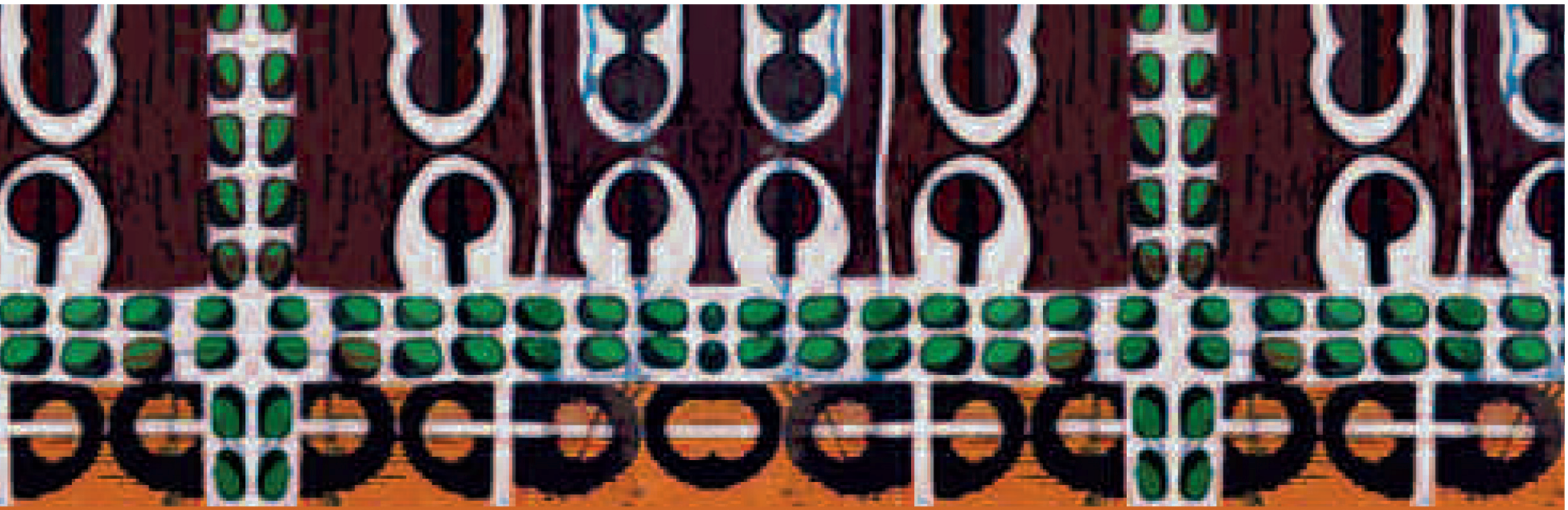

Towards purposeful partnerships in African agriculture

A joint evaluation of the agriculture and rural development policies and operations in Africa of the African Development Bank and the International Fund for Agricultural Development

April 2010

IFAD
Enabling poor rural people
to overcome poverty

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AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND
FONDS AFRICAIN DE DEVELOPPEMENT
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Enabling poor rural people
to overcome poverty

Evaluation team

Overall responsibility

Colin Kirk, Director, Operations Evaluation Department (AfDB)

Luciano Lavizzari, Director, Office of Evaluation (IFAD)

Lead evaluators and evaluation coordinators

Ashwani Muthoo, Senior Evaluation Officer (IFAD)

Detlev Puetz, Principal Evaluation Officer (AfDB)

Andrew Brubaker, Evaluation Officer (IFAD)

Joint evaluation secretariat

Linda Danielsson, Administrative Assistant (IFAD)

Akua Arthur-Kissi, Research Assistant (AfDB)

Senior independent advisers

Robert Picciotto

Per Pinstrup-Andersen

Seydou Traoré

Consultant team

Hans Binswanger-Mkhize and Alex McCalla: working paper "The Changing Context and Prospects for Agricultural and Rural Development in Africa"

Roger Slade, Michael Carbon and Emelly Mutambatsere: working paper "A Meta-Evaluation of Past Performance"

Arthur Zimmermann and Baptist Sieber: working paper "A Review of Partnerships: Benchmark Study and Evaluation Template"

Julian Gayfer and Dorte Kabell: working paper "A Review of Partnership between AfDB and IFAD"

Manuel Penalver-Quesada and Chris Brewster: working paper "An Assessment of Business Processes and Their Impact on Results"

Andrew Shepherd, Nick Highton and Steve Wiggins: country studies, quality-at-entry review and draft final report

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Abbreviations and acronyms

ADF	African Development Fund
AIDS	auto-immune deficiency syndrome
AGRA	Alliance for a Green Revolution in Africa
ARD	agriculture and rural development
AfDB	African Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
AU	African Union
BOAD	West African Development Bank *(Banque Ouest Africaine de Développement)*
BSF	Belgian Survival Fund
CAADP	Comprehensive Africa Agriculture Development Programme
CIDA	Canadian International Development Agency
COSOP	country strategic opportunities programme
CPIA	Country Policy and Institutional Assessment
CSP	country strategy paper
DFID	Department for International Development (UK)
ECOWAS	Economic Community of West African States
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GDP	gross domestic product
GEF	Global Environment Facility
GTZ	German Agency for Technical Cooperation *(Deutsche Gesellschaft für Technische Zusammenarbeit)*
HIV	human immune deficiency virus
IFAD	International Fund for Agricultural Development
IFI	international finance institution
IFPRI	International Food Policy Research Institute
KfW	German Development Bank *(Kreditanstalt fürWiederaufbau)*
KWAMP	Kirehe Community-based Watershed Management Project (Rwanda)
M&E	monitoring and evaluation
MCA	Millennium Challenge Account
MDG	Millennium Development Goal
MINAGRI	Ministry of Agriculture, Livestock and Forests (Rwanda)
MTEF	medium-term expenditure framework
MTS	Medium-Term Strategy (AfDB)
NEEDS	National Empowerment and Economic Development Strategy
MoU	memorandum of understanding
NEPAD	New Partnership for Africa’s Development
NGO	non-governmental organization
NRI	Northern Regions Investment
ODA	official development assistance
OE	Office of Evaluation (IFAD)
OECD	Organisation for Economic Co-operation and Development
OPEV	Operations Evaluation Department (AfDB)
OSAN	Agriculture and Agro-Industry Department (AfDB)
PAPSTA	Support Project for the Strategic Plan for the Transformation of Agriculture (Rwanda)
PARPA	Action Plan for the Eradication of Absolute Poverty (Mozambique)
PCU	project coordination unit
PCR	project completion report

Abbreviations and acronyms

PFM	public financial management
PICOFA	Community Investment Project for Agricultural Fertility (Burkina Faso)
PROAGRI	National Agricultural Development Strategy (Mozambique)
PROMER	Rural Markets Promotion Programme (Mozambique)
PROSDRp	Rural Production Sector Development Programme *(Programme Sectoriel du Développement Rural productif)*
PRSP	poverty reduction strategy paper
REC	regional economic community
RUMEDP	Rural Microenterprise Development Programme (Mozambique)
SADC	Southern African Development Community
SHDP	Smallscale Horticulture Development Project (Kenya)
SHoMaP	Smallholder Horticulture and Marketing Programme (Kenya)
SWOT	strengths, weaknesses, opportunities and threats
SSLDP	Southern Sudan Livelihoods Development Project (Sudan)
SWAp	sector-wide approach
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
VDCs	village development committees
WFP	World Food Programme
WSRMP	Western Sudan Resources Management Programme (Sudan)

Foreword

This report presents the results of a major evaluation of support to agriculture and rural development in Africa provided by two institutions: the African Development Bank (AfDB) and the International Fund for Agricultural Development (IFAD). The evaluation set out to review the experience of the two institutions in a region where major changes are taking place. It carefully assessed their relevance to Africa's needs in the area of agriculture and rural development, and also reviewed their performance, including the performance of their sector partnership. However, the overriding aim throughout was to draw useful lessons and develop sound recommendations to assist the two institutions to move forward, and in particular to consider how they might work more closely together to greater effect.

The origins of this forward-looking approach lie in a meeting between AfDB's President, Dr Donald Kaberuka, and the President of IFAD at the time, Mr Lennart Båge, who agreed that it would be useful to review past experience and consider how to strengthen the partnership between the two institutions in the future. Following discussions, the AfDB and IFAD Boards called for a joint evaluation to be undertaken by the independent evaluation offices of the two institutions. Work on the evaluation began in earnest in July 2007.

This was a timely decision. Although many development agencies had reduced their funding for agriculture and rural development in the 1990s, the international community was jolted by the sharp spike in food prices at the beginning of 2008, and issues of agriculture and food security rose quickly up the agenda. The food price crisis was linked to the sharp rise in fuel costs, and was followed by shocks generated by the global financial crisis and economic downturn. Meanwhile, as we write, there is rapidly growing recognition around the world of the challenges posed by climate change, including the need to ensure sustainable development and better natural resource management. This evaluation was therefore undertaken against a backdrop of great challenges and uncertainties. Yet this is also a moment of opportunity. The evaluation highlights the great untapped potential afforded by agriculture in Africa. Although past performance has been only moderately satisfactory, there is now an opening to rethink ways of working, to do things differently and to recommence the transformation of African agriculture. This report calls upon AfDB and IFAD to take action to deepen their partnership on agriculture and rural development at a moment when fresh impetus, drive and direction are required to address the challenges facing Africa and the world.

Over the past 30 years, AfDB and IFAD have each played a major role in agriculture and rural development in Africa, for which they have provided loans and grants with a combined total exceeding US$10 billion, which increases to US$17 billion when cofinancing and borrower contributions are included. This represents a very substantial contribution to development on the continent. The role of the institutions was particularly significant in the 1990s when funding for the sector from other institutions dropped sharply.

It was therefore important to review the experience of the two institutions in this area to ascertain what they have done well, assess whether they could have performed better and to consider what their role and contribution might be in the future.

The evaluation findings, conclusions and recommendations were informed by a series of desk reviews on key themes, by visits to eight countries in Africa, and by many interviews and discussions within the two organizations and outside. An interim report was distributed widely for review: this provided a solid basis for discussion and dialogue with management and staff in each institution. The evaluation also benefited from input from a wide range of African stakeholders. A regional consultation meeting, kindly hosted by the Government of Mali, provided valuable feedback and validation of the evaluation results. The final report was considered by the respective Boards of the two institutions, along with a formal Management response prepared jointly by management in the two organizations.

The evaluation draws attention to the many challenges confronting agriculture and rural development in Africa. But it also highlights the wealth of Africa's natural resources endowment and emphasises agriculture's great potential to support economic growth and reduce poverty and hunger across the continent. The report highlights the importance of African leadership in developing clear sector policies and strong institutions in the sector. It concludes that AfDB and IFAD have distinct but complementary roles, and are, separately and together, highly relevant to Africa's current and future needs in the field of agriculture and rural development. Their contribution could be further strengthened through focused attention to address the *sector policy* gap, to improve the *performance* of both lenders and governments, and to strengthen the *partnership* between AfDB and IFAD and between these institutions and other sector players. The report presents specific recommendations regarding each of these topics.

The joint evaluation draws particular attention to the complex regional context for intervention. Efforts to support development in Africa must recognize the region's tremendous heterogeneity not only in terms of its geographical and agro-ecological dimensions, but more widely with respect to its diverse social, cultural, political and economic aspects.

Looking to the future, we have recommended that AfDB and IFAD should deepen their partnership, and base this on their respective areas of comparative advantage, track record and specialization. Complementarity provides the basis for a strong partnership. At the same time, differences of focus and approach can pose challenges for coordination and joint working. Accordingly, the evaluation advocates developing a deeper and more strategic partnership with a strong focus on measurable results, with clear arrangements for managing and monitoring the process, and with the commitment of sufficient human and financial resources to the partnership to allow it to be effective. Both organizations also need to think carefully about the incentives required to build successful partnerships.

In this regard, it is worth reflecting on the experience of the joint evaluation itself. It was agreed from the outset that this should be a truly joint exercise, with clear objectives, common management arrangements, pooled funding, and a small secretariat. This in turn required arrangements to be set out in a memorandum of understanding signed by both parties. A focus on shared objectives, close and frequent consultations and a degree of flexibility ensured that differences of view were quickly resolved and a common approach was maintained throughout. A key advantage of the joint approach was the ability to view past and present partnership activities from a shared viewpoint. It also allowed the evaluation team to look across a wide span of operations and total investments of relatively high volume.

As noted above, the evaluation has been widely discussed within the two insitutions. However, we trust that the report will also prove useful to a wider audience beyond AfDB and IFAD, including African decision-makers and development partners working in agriculture and rural development in Africa. The report highlights the responsibility falling to African decision-makers to ensure that sound sector policies are developed and implemented, drawing where necessary on support from development partners. The evaluation concludes that there is an urgent need to strengthen sector institutions to ensure that intelligent, market-oriented policies can be effectively and efficiently implemented, making space for the private sector to flourish to the benefit of African producers and consumers.

Development partners have an important role to play, and we hope that colleagues in a range of development institutions will find this to be an informative report. In the report, we draw out the implications of the increasing number of organizations working in the sector and the need for a sensible division of labour based on comparative advantage and specialization, especially at country level. Development agencies need to avoid “partnership proliferation” and, wherever possible, should find practical ways of aligning in an efficient and disciplined way behind the relevant national authorities.

There are signs that private-sector involvement is increasing. This is a welcome development as transformation of rural economies across Africa will depend to a great extent on private-sector investment and operations at all levels. Governments need to create the right conditions for the private sector to grow, and the AfDB, IFAD and other donors should encourage more businesses to enter the sector and expand their activities.

Agriculture in Africa stands at the threshold of change and opportunity, after many years of neglect. This evaluation is intended to provide a substantial platform on which AfDB and IFAD can refocus and re-energize their longstanding sector partnership so that they seize the present opportunity. Working with others, AfDB and IFAD can play important roles in helping to take African agriculture over the threshold towards a fruitful future.

Luciano Lavizzari
Director, Office of Evaluation
IFAD

Colin Kirk
Director, Operations Evaluation Department
AfDB

Acknowledgements

The Directors of the Office of Evaluation of IFAD and of the Operations Evaluation Department of AfDB would like to acknowledge Dr Donald Kaberuka, President of the African Development Bank and Mr Lennart Båge, former President of IFAD, for their inspiration in proposing this joint evaluation, and for their advice at various stages; and Dr Kanayo F. Nwanze, President of IFAD, for his encouragement and support as the evaluation was being completed. The Directors are also grateful for the interest, encouragement, guidance and support offered by members of their respective Boards throughout the process.

Special thanks are extended to Mali's Minister of Agriculture, Hon. Aghatam Ag Alhassane, who hosted and chaired a valuable consultation with regional stakeholders in Bamako, and arranged a visit to the national agricultural research centre near Bamako.

The interest and engagement shown by management and staff in AfDB and IFAD helped to keep the evaluation focused on operational realities during a period of rapid change in both institutions. At AfDB the Directors greatly appreciate the commitment to the evaluation process shown by Zeinab El-Bakri, former AfDB Vice President, and her successor, Vice-President Kamal El-Kheshen, as well as Mr Aly Abou Sabaa, Director of the Department of Agriculture and Agro-Industry. At IFAD, they are greatful for the interest and involvement offered by Kevin Cleaver, Associate Vice President, Programmes, Mohamed Béavogui, Director of the Western and Central Africa Division, Ides de Willebois, Director of the Eastern and Southern Africa Division and Nadim Khouri, Director of the Near East and North Africa Division, as well as Shyam Khadka, Senior Portfolio Manager.

The evaluation was jointly managed by Ashwani Muthoo in IFAD's Office of Evaluation and by Detlev Puetz in AfDB's Operations Evaluation Department. Andrew Brubaker in IFAD's Office of Evaluation also provided inputs at various stages in the process. They were assisted by Linda Danielsson of the joint evaluation secretariat in Rome, and by Akua Arthur-Kissi in Tunis. Work on the various studies including reports on country visits and the final report was conducted by the following consultants and staff members: Hans Binswanger-Mkhize, Chris Brewster, Michael Carbon, Julian Gayfer, Nick Highton, Dorte Kabell, Alex McCalla, Emelly Mutambatsere, Manuel Penalver-Quesada, Andrew Shepherd, Baptist Sieber, Roger Slade, Steve Wiggins and Arthur Zimmermann.

The Directors are especially grateful for the guidance provided by the joint evaluation's panel of senior independent advisers: Robert Picciotto, Per Pinstrup-Andersen and Seydou Traoré. Their advice helped to keep the evaluation focused on strategic issues and to take account of the turbulent global context prevailing while the evaluation was being undertaken.

However, in reporting on the results of an independent evaluation study, the evaluation report does not necessarily reflect the views of the Boards and managements of the respective institutions. The Directors take overall responsibility for the evaluation as heads of the evaluation offices of their respective organizations.

Executive summary

Agriculture and rural development are key elements in African economies and provide an important route towards achievement of the critical development goals of promoting growth and reducing poverty in Africa. Yet the sector presents a challenging development agenda. This report presents the main findings, conclusions and recommendations of a major evaluation of assistance to agriculture and rural development (ARD) in Africa provided by the African Development Bank (AfDB) and the International Fund for Agricultural Development (IFAD). The evaluation was undertaken jointly by the evaluation offices of the two institutions.

The joint evaluation focused on the policies and operations of AfDB and IFAD in ARD in Africa. The evaluation had four objectives. These were to: (i) determine the relevance of ARD policies and operations, in the light of current and emerging issues; (ii) assess their performance and impact; (iii) evaluate the strategic partnership between IFAD and AfDB and other ARD partnerships on the continent; and (iv) develop recommendations to enhance the partnerships and development effectiveness of the two institutions. While reviewing past experience, the evaluation was intended to be forward looking, with a view to strengthening future ARD policies and operations.

Attention was devoted to analysing the changing context for agriculture and rural development in Africa, and to drawing out the relevant strategic implications. The evaluation found that although the economic situation has improved in many parts of Africa in recent years, and although sector policies have improved, many challenges remain, including poor infrastructure; weak sector institutions and insufficient regional integration; underdeveloped markets and limited private-sector involvement; the low productivity of smallholder farmers; the need for effective management of natural resources and the environment, in the face of climate change; high levels of poverty, exacerbated by rapid population growth and the continued prevalence of HIV/AIDS; and pervasive gender inequality, which undercuts the contribution of women in a region where they play key roles in agriculture and agricultural trade. Access to both domestic and international markets is difficult and constrains production. Recent shocks and crises have compounded these challenges.

Actions required to address these challenges include improving the ***investment climate***; better ***infrastructure*** and regional integration; supporting ***innovation***; and strengthening ***institutional capacity***. However, the African context in all dimensions is complex and highly diverse, and solutions need to be tailored to fit local conditions. The country context is key.

Since they were founded, AfDB and IFAD have provided assistance to the sector in loans and grants with a combined total value of around US$10 billion. Although many donors and governments drew back from supporting agriculture in the 1990s, AfDB and IFAD continued to provide substantial support. Recent years have seen renewed support for the sector, including the launch in 2002 of the Comprehensive Africa Agriculture Development Programme (CAADP), under the New Partnership for Africa's Development (NEPAD), and the Maputo Declaration of 2003, which committed African governments to allocate 10 per cent of their national budgets to agriculture with the aim of raising annual agricultural growth rates to 6 per cent. Major donors are returning to the sector, along with a variety of new donors and private-sector investors. Despite the wide consensus regarding the importance of a country-led approach to development, the sector's highly fragmented aid architecture requires the many players to establish a well-coordinated division of labour, based on respective areas of comparative advantage, specialization and track record. Yet there has so far been a lack of far sighted vision and a coherent, widely agreed policy framework. Bold leadership and political will are both needed to address this "policy gap."

With regard to institutional policies and mandates, the evaluation concluded that the two organizations have distinct but complementary roles, and are, separately and together, highly relevant to Africa's current and future needs in ARD.

An assessment of the performance of past operations assisted by each institution in ARD in Africa concluded that, at the project level, past performance has been moderately satisfactory, but sustainability was weak. Inadequate attention was devoted to promoting gender equality and, in this regard, results were modest. At the level of country strategies and programmes, performance was found to be weak in both organizations, especially in terms of relevance to country needs, as well as with regard to policy dialogue, knowledge management, and partnership building. Attention is needed to ensure better design and implementation of ARD strategies. In the case of IFAD, overall performance in Africa was lower than performance in other geographic regions covered by the Fund's operations. For the Bank, the performance of its ARD operations was found to be less successful than in other sectors. Benchmarking evidence indicates that the performance of other agencies working in ARD in Africa was at a broadly similar level, perhaps indicating the difficulty of addressing ARD sectoral challenges.

The evaluation found that the past performance of AfDB and IFAD as lenders, and of governments as borrowers, was generally unsatisfactory. This was a recurrent issue, with serious consequences for overall performance. IFAD and Bank performance in project design, supervision, problem solving and in making operational adjustments was found to be satisfactory in less than one out of every two projects financed. A number of recent reforms at IFAD and AfDB have been oriented towards improving lending agency performance, and evaluation of recently approved country strategies, programmes and projects found signs of improvement in quality. However, little attention has been given to improving government performance. There is, in consequence, an urgent need to strengthen government capacity. This will be critical for achieving successful results.

The evaluation also reviewed the partnership between AfDB and IFAD, which was formally established with the signing of a partnership agreement in 1978. Activities were largely confined to cofinancing of investment projects, with AfDB also providing supervision services for IFAD. Overall, the performance of the partnership was weak. A new memorandum of understanding was signed between the two organizations in 2008, with a stronger focus on results and joint action. But to channel efforts efficiently, there is a need for an action plan, backed by adequate resources and focused attention to management.

Each institution enjoys generally good relations with governments in the region, and with a range of sector partners. However, with many players now active in the sector, there is a tendency towards "partnership proliferation". Future partnerships need to be selective and purposeful, building on comparative advantage with a clear focus on results.

The two organisations have made and continue to make major contributions to support ARD in Africa. Their contribution could be further strengthened through focused attention to address the *sector policy* gap, improve the performance of both lenders and governments, and to strengthen the *partnership* between AfDB and IFAD, and between these institutions and other sector players.

Recommendations

Recommendations for both agencies

The joint evaluation makes the following recommendations for both institutions, focusing on the "three Ps" of policy, performance and partnership.

Filling the sector policy gap. AfDB and IFAD should work together to address the ARD policy gap in the following ways: (i) maintain alignment with CAADP and provide a joint statement of support for CAADP; (ii) at country level, support the development of sound national ARD policies, and align assistance with national strategies; (iii) at the level of global policy, develop knowledge and capacity to engage in international advocacy on trade issues affecting African producers.

Lender performance. AfDB and IFAD should make further efforts to improve their performance in the following ways: (i) increase skills, knowledge and capacity in the areas of policy, analytical work, knowledge management and managing partnerships; (ii) increase support to ARD in fragile states, giving careful attention to choice and sequencing of aid modalities; (iii) strengthen country presence; (iv) finance simpler, more tightly focused projects and programmes, undertaken within the framework of coordinated sector plans.

Borrower performance. AfDB and IFAD should aim to strengthen borrower performance as follows: (i) support governments to undertake capacity needs assessments in the ARD sector, and provide substantial support for capacity building and institutional development; specifically, support capacity building in relation to (ii) political decentralization; (iii) gender mainstreaming; and (iv) research and development.

Building purposeful partnerships. AfDB and IFAD should: (i) maintain and deepen their current bilateral partnership, based on the memorandum of understanding of 2008, setting clear, strategic regional priorities, backed by a clear Action Plan and adequate resources; (ii) focus their partnership on their respective areas of comparative advantage, specialization and complementarity, and strengthening the focus on results; and (iii) at the regional level, take forward their partnership within the wider partnership around CAADP.

Recommendations for AfDB

It is recommended that AfDB should: (i) remain directly engaged in ARD, but develop a more selective strategy, closely linked to the Bank's medium term priorities, and aligned with CAADP; and it should widely publicise the revised strategy; (ii) expand support to regional and sub-regional development; (iii) ensure that sufficient human and financial resources are allocated for effective implementation of the revised strategy while seeking to leverage further funding from the private sector, private donors, Arab States and emerging donors. Steps should also be taken to ensure provision of adequate resources to regional member countries and operational departments to take forward important analytical work and sector studies.

Recommendations for IFAD

It is recommended that IFAD should: (i) engage more strategically in analytic work, by building in-house capacities and through strategic partnerships; (ii) differentiate allocation of administrative resources to allow increased support in developing strategies and operations relating to fragile states; and (iii) plan joint activities to share knowledge and experience between the three divisions covering Africa.

Introduction

1

Background

At the suggestion of their Presidents, the Boards of the International Fund for Agricultural Development (IFAD) and the African Development Bank (AfDB) requested a joint evaluation of agriculture and rural development (ARD) in Africa by their evaluation offices.

IFAD's Office of Evaluation (OE) and the AfDB's Operations Evaluation Department (OPEV) launched the joint evaluation in July 2007, when a memorandum of understanding (MoU) was signed by the directors of OE and OPEV on behalf of the Presidents of IFAD and AfDB. An oversight committee,[1] a senior independent advisory panel[2] and a joint evaluation secretariat[3] were established to implement the evaluation; consultants were hired to support OE and OPEV. On the basis of the joint evaluation approach paper, an inception report was produced and shared with IFAD and AfDB management at the beginning of 2008; this set out objectives, methods, key questions, timeframes, governance arrangements and communication approaches for the joint evaluation.

Undertaking the evaluation jointly made it possible to pool resources for desk and field work, which enhanced the quality and credibility of the evaluation and provided an opportunity to draw together the substantial volume of agricultural and rural knowledge accumulated by the two organizations and by other players in ARD including the Food and Agriculture Organization of the United Nations (FAO) and the World Bank. The joint evaluation required ongoing consultation between OE and OPEV, agreement on common methods and coordinated communication with stakeholders such as the management and governing bodies of AfDB and IFAD. These requirements were addressed in the MoU, which also incorporated a number of risk mitigation measures, such as the implementation of the joint evaluation in phases and the employment of three senior independent advisers who gave their inputs and guidance throughout the process. The final report of the senior independent advisers on the joint evaluation may be seen in appendix 1.

Objectives

The joint evaluation had four objectives: (i) determine the relevance of IFAD and AfDB policies and operations in ARD in Africa in the light of current and emerging issues affecting ARD in the continent; (ii) assess the performance and impact of AfDB and IFAD policies and operations in ARD in Africa; (iii) evaluate the strategic partnerships between IFAD and AfDB, and between them and other prominent ARD actors in the continent; and (iv) understand the proximate causes of AfDB and IFAD relevance and performance in ARD, and develop recommendations to enhance their development effectiveness, including partnership between them and other actors. The joint evaluation included an assessment of past and current relevance and performance, but was also forward-looking in seeking to provide recommendations as to ways in which the two organizations can respond to a changing environment in line with their strategic objectives and comparative advantages.

Unlike the independent external evaluations[4] undertaken in the two organizations in the first part of

1/ The Directors of OE and OPEV.

2/ Senior independent advisers were mobilized to reassure the governing bodies that the evaluation was of the required quality and in line with international good practice. The advisory panel consisted of three development professionals with wide experience in ARD in Africa and an understanding of evaluation. They were: Mr Per Pinstrup-Andersen (Denmark), former Director General of the International Food Policy Research Institute; Mr Robert Picciotto (Italy), former Director General of the Independent Evaluation Group of the World Bank; and Mr Seydou Traoré (Mali), former Minister of Agriculture of Mali.

3/ Set up in OE.

4/ See http://www.ifad.org/evaluation/iee/report/e.pdf and http://www.afdb.org/fileadmin/uploads/afdb/Documents/Evaluation-Reports/02578228-EN-ADF7-9-EVALUATION.PDF.

the decade of the new millenium, this joint evaluation focuses on IFAD operations in Africa and on AfDB activities in the agriculture sector[5] only. The joint evaluation included an initial analysis of selected business processes that had not been in place at the time of the independent external evaluations, for example direct supervision and implementation support, country presence by IFAD[6] and the accelerated decentralization and reorganization of the knowledge management function in AfDB.

Process and deliverables

To manage the process effectively, the evaluation was undertaken in four phases, each of which included complementary activities and deliverables. The four phases were as follows: (i) preparatory: preparation of an approach paper and thereafter an inception report; (ii) interim: production of the interim report based on a desk review of documents; (iii) country work: visits to eight countries in the continent; and (iv) preparation of the joint final evaluation report. In addition, a quality-at-entry review of a sample of recent country strategies and projects designed by the two organizations was conducted and the findings used in the preparation of the final report. The four main phases listed above were carried out in sequence.

The interim phase consisted of a desk review of documents from AfDB, IFAD and other organizations, complemented by group and individual discussions with management and staff in both organizations. The interim phase entailed the production of working papers on: (i) contextual issues affecting ARD in Africa and emerging challenges and opportunities; (ii) a meta-evaluation[7] of previous operations funded by IFAD and AfDB in Africa, based on a review of existing reports of independent evaluations undertaken by OPEV and OE; (iii) review of partnerships between AfDB and IFAD and other players in ARD in Africa; and (iv) analysis of business processes (e.g., such as direct supervision and implementation support) and their impact on results. The working papers were the basis for the interim report and also informed the final report. Presentations of emerging results from the interim phase were made to the management and staff as well as to the Governing Bodies in IFAD and AfDB; and their feedback was duly considered in the finalization of the interim report.

The country work phase, which built on the desk review, involved country studies in Ghana, Mali, Morocco, Mozambique, Nigeria, Rwanda, Sudan and the United Republic of Tanzania. It gave the evaluation team an opportunity to validate the findings of the interim report through interaction with partners in governments, donor representatives, project staff and civil society organizations and beneficiaries, and through visits to project sites and activities. The country visits were complemented by a perception survey in six of the eight countries, which aimed to collect feedback from a range of partners and stakeholders about the operations funded by the two agencies.[8]

At the same time, further desk work included a quality-at-entry review of a sample of recent country strategies, projects and programmes supported by the two organizations in Africa. The main aim of this study was to determine the extent to which AfDB and IFAD had internalized key lessons learned and insights from previous evaluations into new strategies and projects.

The final report has been informed by the deliverables outlined in the preceding paragraphs. In particular, it builds on the interim report and its four working papers, the country work and the perception survey as well as the quality-at-entry review. All these main deliverables from the evaluation can be found on the evaluation website.[9]

The draft final report benefits from the comments by the managements of AfDB and IFAD. Moreover, a consultation meeting was held in Mali to discuss the draft final report in September 2009 with representatives of African governments, donors, civil society organizations, NGOs and others. Their main comments have also been considered in preparing this final joint evaluation report. The final evaluation report was discussed at IFAD by the Evaluation Committee and the Executive Board and at AfDB by the Committee on Development Effectiveness in December 2009. The joint IFAD/AfDB Management response to this evaluation may be seen in appendix 2. Chapter 2 of the final report analyses emerging opportunities and challenges affecting ARD in Africa.

5/ This joint evaluation reviews only the operations financed by the AfDB Agriculture and Agro-Industry Department (OSAN).
6/ The IFAD supervision policy was approved by the Board in December 2006; a decision to establish country presence was made in September 2007 following an evaluation by OE of the Field Presence Pilot Programme.
7/ The meta-evaluation allowed the joint evaluation to assess performance and impact of IFAD and AfDB policies and operations as well as understand the proximate causes of performance based on a thorough desk review of existing evaluative evidence.
8/ Two hundred stakeholders in six countries were included in the survey, including government ministers, officials in concerned ministries with agriculture and rural development, private sector and civil society representatives, and multilateral and bilateral donors.
9/ http://www.ifad.org/evaluation/jointevaluation/docs/index.htm

Chapter 3 provides an overview of AfDB and IFAD strategic priorities and comments on their relevance to meet the challenges outlined in chapter 2. Chapter 4 analyses the performance of past operations funded by IFAD and AfDB in Africa and outlines their work in recent years to enhance their development effectiveness through institutional reform. Chapter 5 assesses the past IFAD/AfDB partnership and partnerships with governments and other development actors. It also underlines the importance of the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Comprehensive Africa Agriculture Development Programme (CAADP) in defining future approaches to partnerships in ARD. Chapter 6 contains the main conclusions and recommendations.

Context for agriculture and rural development policies: implications for strategy

2

This chapter (i) sets out the ARD context in Africa, (ii) examines recent developments and current and emerging opportunities and challenges, and (iii) considers the implications for agencies seeking to contribute to development. It draws on the joint evaluation working paper on *The Changing Context and Prospects for Agricultural and Rural Development in Africa* by H. Binswanger-Mkhize and A. McCalla (2008) and findings from the country studies.

Economic and agricultural growth in Africa: trends and implications

Economic growth, poverty, and food security

African economies have been growing in recent years. Economic growth was highly variable from 1980 to 1993 but has subsequently increased, with smaller fluctuations. Since 2001, growth rates have exceeded five per cent a year. Twenty countries in Africa have grown faster than the average rate for the developing world since 1994. But economic growth in most African countries started from a low base. Where growth improved it has reduced poverty, and agricultural growth has helped to reduce hunger. Yet some countries still lag behind: landlocked resource-poor countries have the slowest growth rates. In general, however, the pessimism of past reports and studies is no longer justified in the light of the progress made in the past 15 years even if the current global recession is a serious challenge for maintaining the pace.

Improved economic and agricultural performance can be attributed to more stable macroeconomic conditions, less conflict since the mid-1990s, improved governance and market liberalization, and more space for private initiatives thanks to an improved business environment and more appropriate division of labour between the public and private sectors. This has contributed to a better investment climate. There are also stronger regional, sub-regional and civil society organizations that make governments more accountable.

In terms of income, literacy, life expectancy and nutrition, too many Africans still live in unacceptable poverty, particularly in sub-Saharan Africa. Poverty is more prevalent and deeper in rural areas, where 60 per cent to 80 per cent of the poor live, but countries such as Cameroon, Ethiopia, Ghana, Mali, Senegal and Uganda have reduced poverty levels by 15 or more percentage points since the early 1990s. Yet, food insecurity remains widespread. FAO estimates that in 2003–2005 the number of undernourished people in Africa was 217 million, a quarter of the population. The proportion of people living in hunger has fallen since the early 1990s, but absolute numbers have been rising. Rates of stunting and under-weight among young children are consistently higher in rural areas than in towns. Progress towards meeting indicator 1.9 of the Millennium Development Goals (MDGs) – halving the proportion of people without an adequate intake of food – has been limited overall.

Most people living on US$1 a day rely on agriculture for food and income. In sub-Saharan Africa, two thirds of the labour force is employed in agriculture, which contributes a third of the continent's GDP; agriculture supports the livelihoods of 80 per cent of the African population.[10] Agricultural productivity has stagnated or declined in much of Africa: the average farmer in sub-Saharan Africa harvests at most 2 mt of grain per hectare, which is half of what an Indian farmer gets, a quarter of what a Chinese farmer gets and a fifth of what an American farmer gets.[11]

Poverty in Africa leaves many of its inhabitants vulnerable to shocks. Most of the food crises and famines since the mid-1970s have occurred in Africa. In some cases, poverty has been a contributory factor in conflict; some of the worst conflicts have occurred in the poorest countries.

10/ World Bank, 2008, p.27.
11/ Ibid., p.15, fig.7.

African agriculture

There have been many signs of a real recovery in African agriculture since the mid-1990s, particularly in relation to the decline of the early 1980s, but progress has been uneven. The evaluation found poor or modest performance in central and eastern Africa; more solid growth in northern, western and southern Africa which was associated with better policies, more private investment and higher demand for agricultural products as a result of economic growth. In many parts of Africa the evaluation found labour productivity in agriculture increasing from the early 1980s, even though output per hectare of maize, sorghum and yam are no higher today than they were in 1980.[12] Like economic growth, agricultural growth varied between countries.

Yet, governments still do not give sufficient priority to agriculture: budget allocations to the sector are very low, in spite of the 2003 Maputo Declaration, and far short of the 11–14 per cent of national budgets invested in agriculture that fuelled the Asian green revolutions. Government capacity remains weak and the quality of ARD institutions is generally poor, especially if they are decentralized. New technology is often inappropriate for local conditions or not made easily available to farmers. Poor and unpredictable policies and chronic markets failures block access to markets for large-scale, intermediate and smallholder farmers alike, and deter farmers and entrepreneurs from investing and innovating. Demand at the farm gate is limited because of the high cost of getting goods to markets and inputs to farms. Insufficient attention is paid to the prominent role of women in farming, even though the topic has been on the agenda for years. International trade conditions are especially unfavourable for Africa: this is evident in the protection and subsidy of farming by the Organisation for Economic Co-operation and Development (OECD), and insistence that African countries open their borders to cheap imports, often at the lowest prices: as a result, African agriculture receives negative levels of protection. Levels of aid and debt relief are disappointing. All these factors apply in varying degrees at different times and places.

The global economic recession

The global economic recession that started in 2008, the most severe in 70 years, was not of Africa's making, but the continent is nevertheless likely to suffer from it. Forecasts for economic growth for 2009 have been repeatedly revised downwards. In 2008, African economies grew at 5.4 per cent overall, or 3.4 per cent per capita; the most recent forecasts for 2009 indicate growth of 2 per cent with no increase in per capita output. Growth in northern and southern Africa will be depressed by falling demand for manufactured goods, reduced tourism and lower foreign direct investment. In other countries the threat comes from reduced remittances and aid flows and lower prices for exports. Lower prices for staple foods and oil will mitigate these effects in countries that import such items.

Rural areas will not escape the economic downturn: prices for agricultural produce will fall and remittances will decrease, with potentially severe effects in areas of major emigration such as the Sahel. Demand for higher-value foods will fall, and there will be fewer off-season and off-farm jobs. But villages that still produce their own food and services, the norm in Africa, will be sheltered from the worst effects and may even serve as a social safety net and source of employment for urban unemployed. Given the low income elasticity for agricultural produce, the economic downturn will not hit farming as hard as other sectors, so there is good reason to look to maintaining the level of rural investments and increasing agricultural productivity as a countermeasure.

Opportunities for agriculture and rural development in Africa

In spite of the recession and some major challenges for agriculture, there are compelling arguments and long-term positive trends for enhanced investment in the sector. In particular, the prospects for growers of traditional crops are good, which is encouraging given that such crops are the mainstay of Africa's small farmers. Macroeconomic and sector policies have improved, providing a better investment climate for the private sector. The prices of agricultural products seem to be stabilizing above the relatively low levels prevailing before the 2008 food price crisis, having fallen from their peak because of demand created by global growth and the need for biofuels. This evaluation identifies ample opportunities for farmers and agri-businesses and an important future contribution by African agriculture to reducing poverty and hunger.

Despite modest progress to date, it is important to recognize the important role of agriculture in economic growth, employment and food security. Agriculture is critical for household food security and poverty reduction, particularly in the African context in view of the vast numbers of people deriving their livelihoods from agriculture. Most poor people in Africa are small landowners who produce for subsistence purposes and, increasingly, for the market. Development of these

12/ See http://faostat.fao.org/.

80–100 million smallholders[13] is one of the main ways to reduce poverty, as indicated by the large body of research evidence and field experience acquired in the last two decades.[14] According to the 2008 World Development Report, for the poorest people, gross domestic product (GDP) growth originating in agriculture is four times more effective in reducing poverty than GDP growth originating outside the sector. Agriculture is clearly significant, and its potential needs to be tapped. Consequently, investing in agriculture is one of the most effective and sustainable methods of combating unemployment, which is often rural. The growth of the agriculture sector in several countries gives hope that good performance can be achieved in others that have made less progress. The difference has much to do with developing and adopting the right policies and having institutions that can implement them.

Countries will require supporting macroeconomic policies such as an improved business climate and the removal of negative protection of agricultural commodities, particularly for export, and adequate infrastructures, all of which are important for investment. If agriculture is to contribute more widely to poverty reduction, smallholder farmers need to gain greater access to market. Smallholders will need access to technologies that increase productivity and profitability, integrated input and output supply chains, supporting institutions and positive incentives to promote investment, and fair and open markets at home and abroad.

In the medium and long term, factors such as biotechnology and production of biofuels provide significant opportunities for agriculture. Dramatic changes are already occurring in international agribusiness and agricultural research as a consequence of the development of new varieties of high-yield, pest-resistant or drought-tolerant crops. This will provide major additional opportunities for African farmers, especially in domestic and regional markets and in increasing South-South trade.

Advances in cooperation between countries in Africa in the past 20 years, regionally and at the level of the African Union (AU), have supported regional trade. Regional economic communities are committed to creating customs unions and common markets. As these moves progress, trade in Africa is increasing, although it is still well short of its potential. In the immediate future, the main markets for African farmers are in Africa: they are large and growing faster than international markets for most agricultural commodities. Urbanization will increase demand for higher-value foods.

Until recently, the large and growing Asian markets, particularly China and India, have been largely self-sufficient in food production. Economic growth and urbanization are resulting in increased demands for food and animal feed. Because they have limited additional land – the best areas are already used intensively – Asian countries are expected to import more agricultural commodities in the future.[15] In some parts of Asia, scarcity and increasing demand for water will put pressure on irrigation systems and increase the need for imports. With its extensive areas of under-used and potentially arable land, its undeveloped irrigation potential and its long Indian Ocean coastline giving access to Asia, Africa will be well placed to meet this increasing demand.

The lack of a green revolution in Africa is frequently lamented, but technical progress has been made: examples include improved, mosaic virus-free varieties of cassava and new varieties of rice such as *Nerica,* that cross the characteristics of African and Asian rice strains. Given adequate investment, conventional research and biotechnology processes should be able to address the technical difficulties affecting African crops and livestock. There is a need to expand regional and national institutions of agricultural science, technology and research, particularly in view of the widening technology gap faced by African producers, which has to be reduced by technologies tailored to the different agro-ecological environments. Science and technology should be focused on reducing poverty through increased productivity and greater yields of food and on enhancing sustainability by addressing natural resource issues such as soil fertility.

African governments, regional institutions and development partners are increasingly committed to ARD. New private donors and emerging donors such as Brazil, China and India are providing growing volumes of aid and investment for Africa, even though this increases the challenge of coordination in development interventions and is further complicated by the proliferation of donors. However, the emphasis on country ownership in the Paris Declaration agenda offers a realistic way forward.

Together, these factors provide a strong rationale for expanded and more coherent engagement by AfDB and IFAD in ARD in Africa. As a growing agriculture sector

13/ They support a population of 400 million.

14/ As stated by IFAD President Mr K. F. Nwanze, “given that around 80 percent of African food production takes place within smallholder farms, which support about half the continent’s population, investing in agriculture is one of the most effective and sustainable methods of combating unemployment”.

15/ There have been dramatic increases in imports to China of soybeans as animal feed and palm oil for cooking. China tries to ensure self-sufficiency in staples but is prepared to import higher-value items on a large scale.

is known to provide employment and reduce poverty and food insecurity, as there are many regional and world wide markets opening up in the near future for agriculture commodities, and as new technologies and even products (such as bio-fuels) are sweeping the continent, the only question is the scope and nature of the support for the sector, the kind of investments and policies required from regional governments, private sector and civil society, as well as donors. For this reason it is useful to take a look at the immediate challenges, old and new, that agriculture and rural development in Africa faces.

Challenges to agriculture and rural development in Africa

Although Africa is developing and there are many opportunities for agriculture, there are also some significant threats and lingering problems that make ARD a challenging task: these include increased climate variability and the need to adapt to uncertainties about future trade, given that the World Trade Organization Doha round of trade negotiations is stalled. Longer-term problems include: (i) the difficulties of developing effective and competitive rural input and output markets, including provisions for rural finance and markets adjusted to new supply chains; (ii) patchy improvements in governance and limited political decentralization; (iii) inadequate financial commitment to ARD by national governments; and (iv) several armed conflicts that defy resolution.

Progress in creating infrastructure is slow, particularly in terms of linking landlocked countries and remote regions of coastal countries with the centres of demand and ports; regional integration is slow, and regional and sub-regional organizations continue to be under-funded. Vulnerability remains high, gender inequality is unresolved and there are difficult questions of stimulating ARD in fragile states and other low income countries, where agriculture is particularly important. To achieve the agricultural growth seen in other countries, many of these countries must overcome additional challenges such as conflict.

And finally, although aid to ARD from traditional and new donors in Africa is growing again, after the deep cutbacks in the 1990's, the current global economic downturn is threatening the emerging commitments, particularly if quality and effectiveness of aid to the sector cannot be proven and enhanced.

Rural institutions

In many African countries, cooperation among institutions involved in ARD is neither efficient nor effective. Governments, the private sector, communities and civil society ultimately have to work together to implement new programmes and support systems for ARD and must jointly and individually take on greater responsibility for providing services for small farmers. The institutional environment determines who contributes to development and how successful it will be, and it is also the most important determinant of the distribution of the benefits. Despite work by governments, donors and foundations, the bulk of investment, initiative and innovation in agriculture and the rural non-farm economy comes from private endeavour, whether small family farms, agri-businesses or multi-national food companies.

Underdeveloped markets with difficult access

Liberalization requires markets to coordinate prices, investments, production and sales. But market failures can be particularly acute in rural areas in Africa. Potential suppliers of inputs and capital and buyers of produce often know little about farmers, particularly small farmers, and vice versa. Private investors are afraid to invest in processing and marketing facilities because they cannot be sure that farmers will produce enough to run a plant at capacity. Input suppliers stock too little fertilizer or improved seeds because they do not know enough about farmers' needs. Rural financial systems are underdeveloped because formal agencies face high transaction costs in dealing with a new clientele of small farm households scattered over large areas.

This situation is made more pressing by changes in some agricultural supply chains, especially those serving export markets and supermarkets in towns. Here, the intermediaries and retailers increasingly require standardized, high-quality bulk supplies to tight schedules, and often with certification regarding conditions such as use of agro-chemicals and child labour. Smallholders may struggle to meet these requirements and end up selling in secondary channels at lower prices.

Unequal and unfair trade

Limited access to markets – both domestic and international – undercuts African agriculture. Trade barriers and export subsidies in OECD countries, inefficient production systems, and limited product quality assurance mechanisms in Africa combine to hamper trade and market access in the continent. Domestic policies also can harm farmers in Africa. Protection of farming in OECD countries depresses the price of some commodities in world markets and deprives African exporters of potential income.
A notable case is cotton, where international prices have been forced down by exports from large farmers

who benefit from generous subsidies. Moreover, African farmers often cannot compete with imports of cheap subsidized cereals and meat that benefit the urban consumer at the expense of the producer. In theory, more liberalized agricultural trade and deals should allow African farmers to export freely to the North. But in practice some exports – often those of promising non-traditional items such as horticulture and high-value fish – run into non-tariff barriers such as very demanding sanitary and phyto-sanitary regulations. Agro-industries in Africa considering exports run into tariff escalation on processed goods whereby there may be free access for unprocessed produce, but tariffs rise rapidly with any additional processing. These systemic market and trade issues require a strategic response.

Population growth and HIV/AIDS[16]

Although population growth rates are falling, the population of Africa is expected to grow from 933 million in 2005 to 1.5 billion in 2030 and to 2 billion in 2050. Agricultural growth needs to keep pace with increased demand for food, and for higher-value items as incomes rise. But the HIV/AIDS epidemic continues at high levels in eastern and southern Africa: although the worst fears about the pandemic have proved unfounded, countries with 10 per cent or more of HIV-positive adults will incur costs and will forego some of the economic growth they would otherwise have achieved.

Natural resource and environmental implications

Rising rural populations and intensified use of the land and water resources are already causing and likely to cause even worse environmental damage such as soil erosion and degradation, desertification, salination, deforestation, loss of biodiversity, depletion of aquifers and pollution of watercourses in the future. Water shortages may become more pressing as demand rises from growing populations, particularly in northern and southern Africa.

Land management

Land management and land tenure are a highly politically sensitive area in Africa. The acquisition of farmland from the world's poor by rich countries and international corporations is becoming a global phenomenon that was even featured in the recent July 2009 G8 meeting. A number of multinational groups are targeting the African continent for developing bio-fuels production (ethanol, etc.). These often involve a large demand in land acquisition and water for irrigation. All these could severely affect semi-commercial smallholder agriculture, unless they are properly managed through proper land and other policies that lead to a win-win situation for the cultivation of bio-fuels in Africa, in which farmers and local agri-business can participate.

Climate change

Farming is particularly vulnerable to climate change. It is difficult to forecast how the climate will change in given localities, but there is widespread agreement that significant change will take place this century as a consequence of global warming. During the 20th century, African farmers often had to cope with changing patterns of weather from one decade to the next, but the scale of change expected in the future is greater than the variations experienced in living memory. Vulnerability and risk management have always been an important dimension of the livelihoods of many rural Africans, who routinely face hazards from droughts to disease and accidents. But more and more have to cope with multiple risks and few resources, a situation endemic in fragile states and other low income countries.

Agriculture and rural development in fragile states and in other low income countries

How to stimulate agriculture and the rural economy in fragile states[17] and in other low income countries is an important issue. In these countries incomes are very low, households have often exhausted savings and other assets and needs are widespread and pressing; governments are either weak or have few resources and little capacity, institutions have been undermined by shocks and private business fears to invest. Strategies in such cases will have to be strictly sequential, focusing limited capacity on the most pressing needs.

Agricultural research and innovations

Agricultural research, science, technology and innovations are the keys to productivity increases and sustainability. Like other public goods, agricultural science and technology are under-supplied. In spite of good returns from agricultural research, the science and technology divide between sub-Saharan Africa agriculture and the rest of the world is growing because of:

16/ HIV/AIDS has the potential to decapitalize assets such as the land, savings and cattle of households and communities affected by the disease.

17/ The World Bank lists the following states as "core" fragile states in Africa: Angola, Burundi, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Guinea, Guinea-Bissau, Nigeria, Sudan and Togo. The following are "severely fragile": Central African Republic, the Comoros, Liberia, Somalia and Zimbabwe.

(i) inefficient and under-funded science and technology institutions in sub-Saharan Africa; (ii) a lack of effective identification and extension of innovations that work; and (iii) rapid changes in the international research environment towards biotechnology and private agricultural research. This is of particular concern in view of the role new technologies can play in adapting to the poor climate and resource base in sub-Saharan Africa.

Regional activities
Many critical issues in ARD in Africa require regional cooperation. For African farmers, the largest opportunities are arguably in food staples and livestock products for domestic and regional markets. This requires adequate regional infrastructure and the removal of trade barriers for foods, for example through regional integration. Similarly, input markets – especially for fertilizer – require a regional solution. Trans-boundary collective action is needed to manage natural resources and the environment and counter plant and animal epidemics.

Gender roles and equity
African agriculture is widely differentiated in terms of gender roles. Women have larger roles in farm and agro-industry management and in agricultural trade than in most other parts of the world. In some cases women have joined the casual labour force in large numbers. Governments and donor policies and programmes, however, tend to assume that farmers are men working full time, and that information and services need to be directed towards male heads of household. Women, often less well educated than men, are particularly disadvantaged in transactions with the outside world: they have limited time to work because of household work and family responsibilities, and they receive less attention from extension and other services. It is not surprising that surveys show that women farmers often obtain lower yields than men.

Political will
There are many challenges in ARD. Some can be tackled directly through good policy or well designed project investments, others will need to be recognized as risks to be managed. This has implications for the way sector assistance should be handled, particularly in terms of mitigating the risks and adjusting interventions to newly emerging opportunities and threats. Moreover, as the challenges in ARD are numerous and the agenda is large, it is not easy to get the policies right, to prioritize and sequence them optimally, and to avoid public interventions to be spread thinly and to dissipate with little to show for. This is where political will, leadership, and good policy and programme analysis and management by African governments and their partners are called for. The will has clearly been increasing in recent years, as the next chapter points out, but leadership in the sector is still weak.

Changed policy context for agriculture and rural development in Africa

Most donors and governments lost interest in agriculture in Africa in the 1990s, partly as a result of misguided ideas from the Washington Consensus that the keys to economic growth lay in overall economic policy and that there was little need for additional policies for particular productive sectors. For much of the decade international food prices were low, which discouraged major investments in agriculture in Africa. The importance attached to agriculture changed, however, when the MDGs were agreed in the early 2000s. It was soon realized that poverty and hunger were most prevalent and severe in rural areas and that progress towards MDG 1 depended largely on ARD. The recognition of the role of agriculture in promoting development has been supported by the 2008 World Development Report, which was devoted to ARD, a recent World Bank evaluation,[18] the FAO independent external evaluation (FAO, 2007) and this joint evaluation by AfDB and IFAD. The unexpected food price spike of 2007/08 and the economic recession undermined arguments for obtaining cereals from the world market at low cost. At a time of mounting awareness of the dangers of climate change, this has revived questions about the ability of the world, and Africa in particular, to feed itself in the medium and long term.

The Comprehensive Africa Agriculture Development Programme (CAADP)
The revival of interest in African agriculture was marked by the launch in November 2002 of CAADP, which aims to help African countries increase economic growth through agriculture-led development, and the support provided through the 2003 AU Conference of Ministers of Agriculture in Maputo, where governments recognized the need to increase their food and agricultural production to guarantee sustainable food security. By adopting the Maputo Declaration, countries agreed to implement the CAADP agenda, which includes investment projects and action plans for agricultural development, at the national, regional and

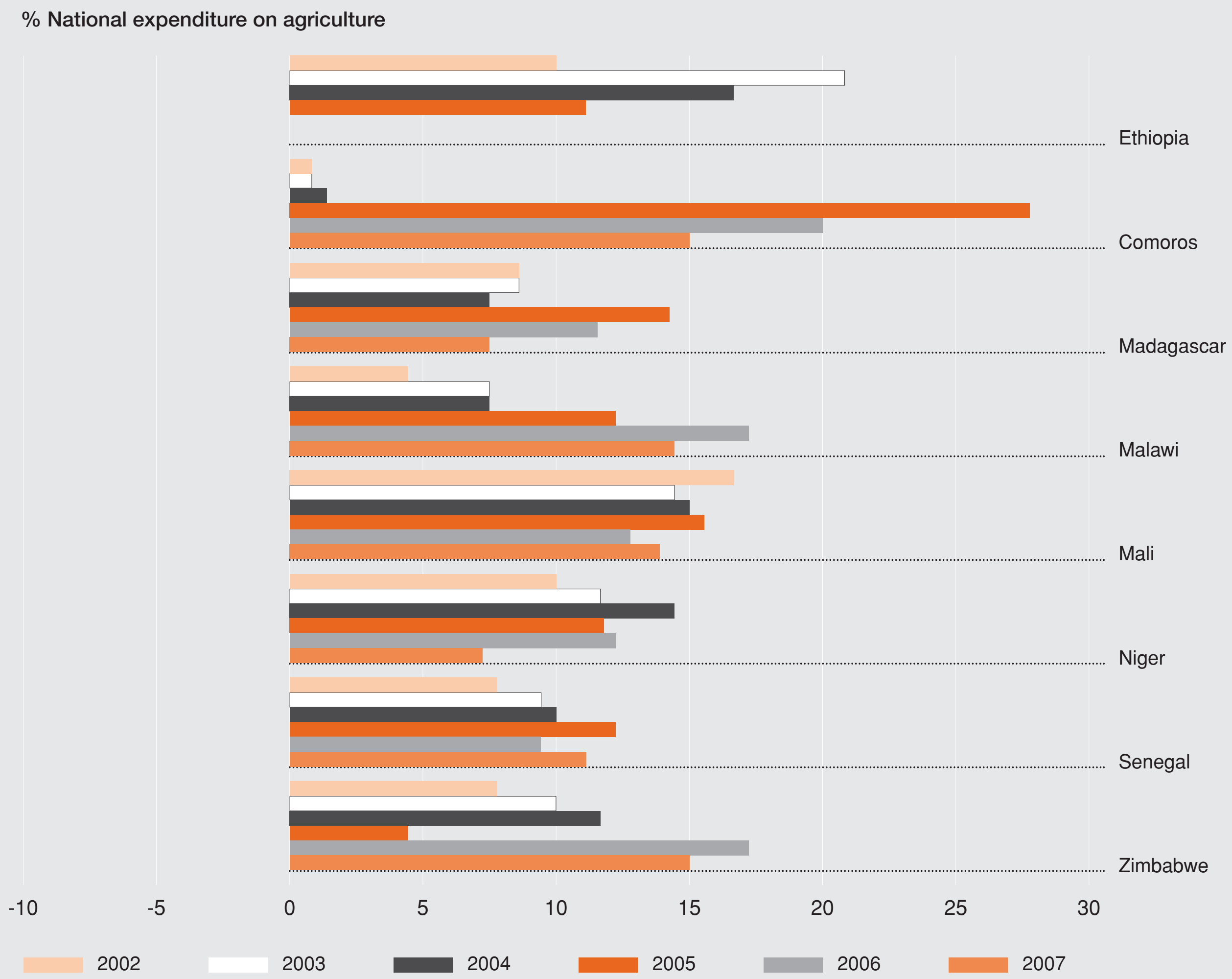
18/ World Bank, 2007.

continental levels. These investments would be built on four pillars: (i) land and water management, including irrigation; (ii) market access, which involved building infrastructure and the capacities of commercial and small farmers; (iii) food supply and hunger reduction, which included improving production and marketing and increasing trade; and (iv) agricultural research to develop and disseminate technologies. Countries agreed to allocate at least 10 per cent of national budget resources to ARD within five years and aim to achieve a 6 per cent annual agricultural growth rate, which is seen as the minimum required if Africa is to achieve agriculture-led socioeconomic growth. CAADP was started under the NEPAD, and is now part of AU activities. It has taken time to implement the plan for Africa set out in the original document, but the main principles followed by CAADP include: (i) gradual rollout so that ownership is vested in the AU and its governments; (ii) adoption of other initiatives, particularly the Alliance for a Green Revolution in Africa (AGRA); and (iii) recognition by leading donors as the pre-eminent forum for discussions of African agricultural issues.[19]

Government support for agriculture

Figure 1 shows that only eight countries have achieved the Maputo Declaration target. In addition, nine other countries (Benin, Chad, Mauritania, Nigeria, São Tomé and Principe, Sudan, Swaziland, Uganda and Zambia) are making good progress (5 per cent-10 per cent towards the target). It is, however, not clear that all these governments are genuinely committed to the letter or the spirit of the 2003 Maputo Declaration: public spending on agriculture has been increasing, but as a share of public spending or agricultural GDP it is often lower than in other parts of the developing world.

Figure 1 Countries with more than 10 per cent national expenditure on agriculture



Source: AU/NEPAD 2009

19/ This was clear from the attendance and the statement by the donor group at the most recent CAADP meeting in Centurion, South Africa, in March 2009.

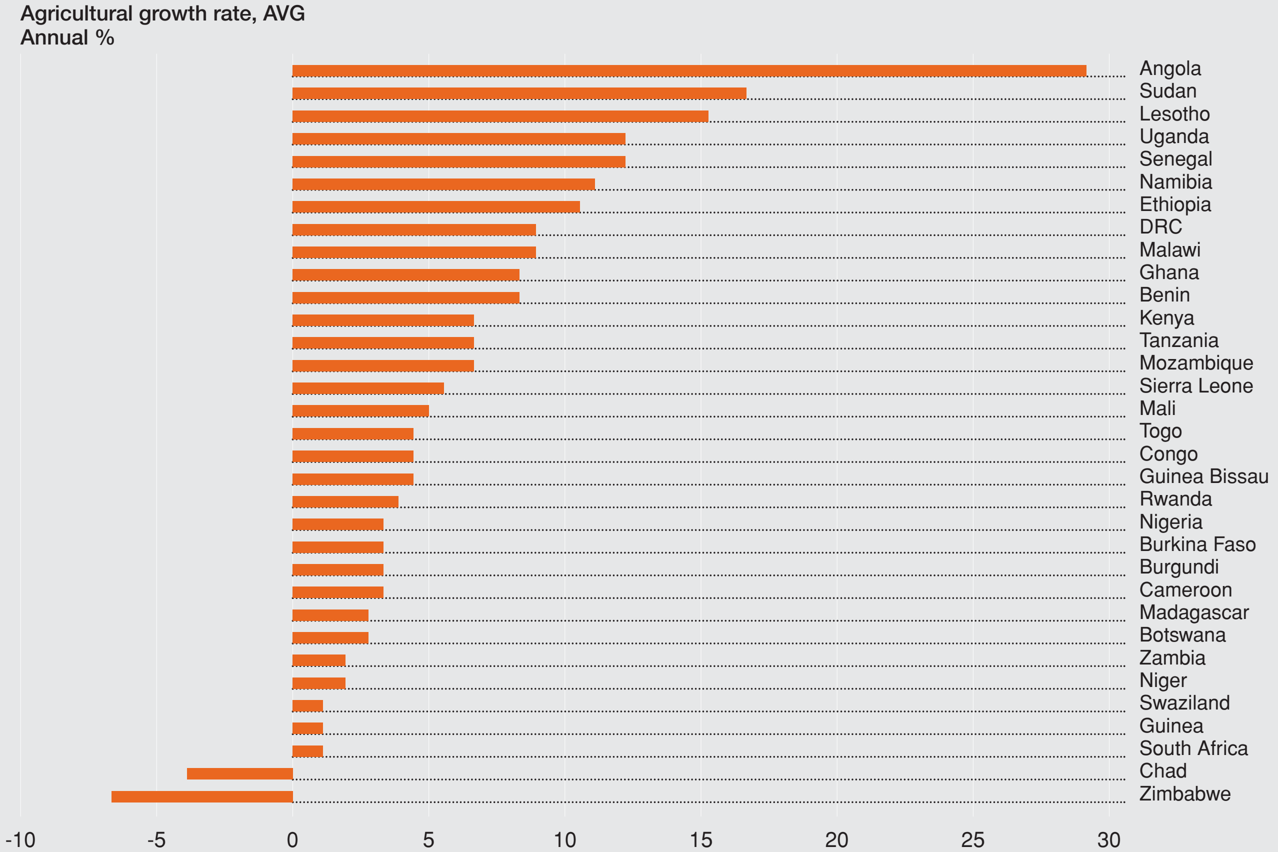
In terms of the target for increasing agricultural growth, the continent's agricultural growth rate surpassed the CAADP 6 per cent target in 2007, reaching 6.5 per cent. Since 2003 the number of countries that have achieved the CAADP growth target of 6 per cent has nearly doubled with ten countries exceeding the 6 per cent annual agricultural growth rates (see figure 2).

Overall, the evaluation found significant support for enhanced investment in ARD in the case study countries, though questions remain as to the effectiveness of sector investments. The relationship between past spending on ARD and agriculture growth in Africa is not straightforward: there were periods in the 1970s and 1980s of high spending and low or modest impact. The level of public spending on ARD is clearly important, but its composition and the effectiveness with which it is used are critical. This issue requires thorough analysis and prioritization, for which many countries are ill equipped.

Official development assistance support for agriculture

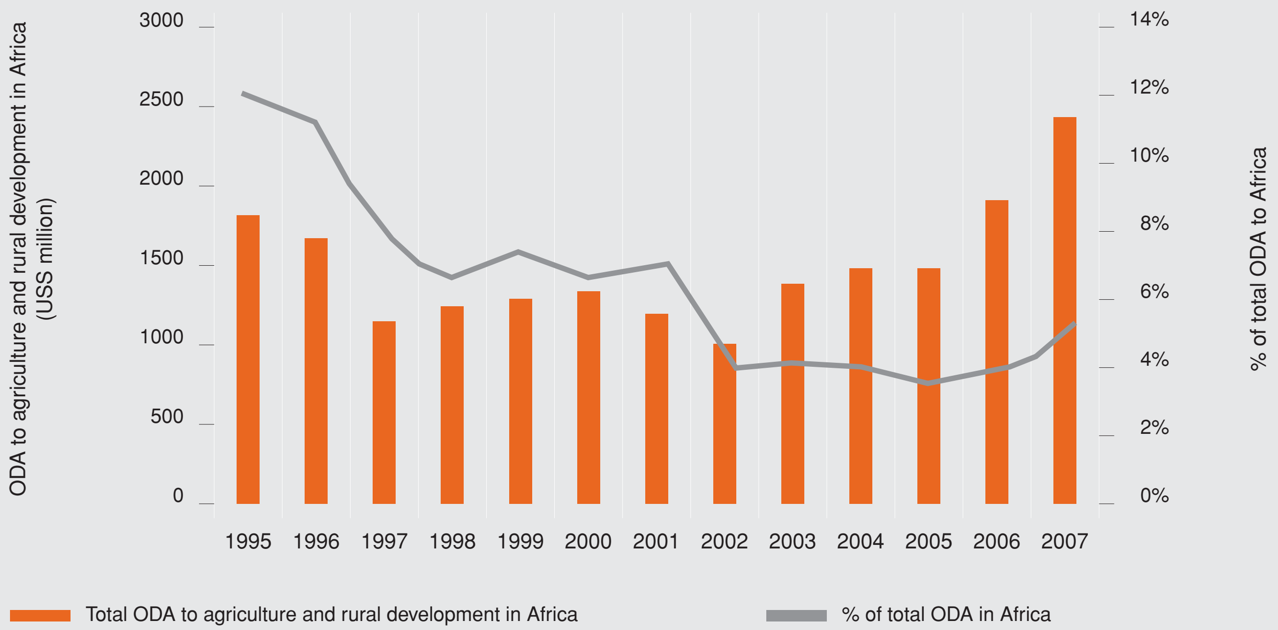
Increased interest and greater spending by African governments has been matched by increased official development assistance (ODA) funding for agriculture (see figure 3). In 2002, ODA for ARD reached a low of US$991 million, but by 2007 it had more than doubled to US$2,456 million. As a share of aid, the proportion allocated to ARD in the region declined from 11.8 per cent to 3.5 per cent between 1995 and 2005; by 2007, however, it had recovered to 5.4 per cent. ODA commitments for 2008 and 2009 are higher still and new bilateral donors and private foundations are becoming more actively involved. Overall ODA is still an exceptionally low percentage compared with the 11.8 per cent of ODA allocated to ARD in 1995. Finally, it is useful to underline that between 1998 and 2007, IFAD and AfDB have together provided around 50 per cent of total multilateral ODA for ARD in Africa. This shows the sustained volume of support for ARD by the two organizations, especially when other donors were drawing back in the 1990s and the early part of this decade.

Figure 2 Agricultural growth rates across sub-Saharan African countries compared to CAADP six per cent target, 2007



Source: UN Statistics Division, 2008; WDI, 2008
See http://www.resakss.org/content/AW_CAADP6_COUNTRY.gif

Figure 3 Official development assistance (ODA) to agriculture and rural development in Africa (commitments)



Note: ARD includes agriculture, forestry and fisheries.
Source: http://stats.oecd.org/WBOS/Index.aspx?DatasetCode=CRSNEW

More external funding can be expected. Commitments for 2008 and 2009 will be higher still, given new initiatives such as the €1 billion allocation by the EU, promises of comparable amounts from Spain and the Gulf States, and Africa's considerable share of the rapid-response funds for agriculture announced by the international finance institutions (IFIs) in 2008. Private contributions have also increased, notably under AGRA, with major support from the Bill and Melinda Gates Foundation. The new century has seen new donors such as Brazil, China, India, Korea, Saudi Arabia and some of the Gulf States active in Africa. The proliferation of donors is useful in terms of bringing additional resources to ARD, but it entails challenges in terms of coordination in a sector that is often characterized by weak institutions.

Agriculture and rural development sector policy and leadership gap

Although there was a concerted response to the food price crisis, and despite the useful CAADP policy umbrella, sound ARD policies and strong leadership in the sector have been in short supply across the continent. Many governments, mostly in sub-Saharan Africa, still lack adequate capacity to lead the development and implementation of appropriate policies and programmes in ARD combining growth and poverty reduction goals. The capacity to coordinate policies and manage the division of labour within a complex aid architecture is also limited. This “policy gap” is exacerbated by the fact that there is also a “knowledge gap” in a sector which remains highly heterogeneous and knowledge intensive. This is further compounded by the region's heterogeneity, where local conditions and knowledge of what is needed varies widely. ARD questions must therefore be answered on the basis of country-specific knowledge such as the policy and role of the state in addressing market failures and unfavourable international conditions, the suggested role of the state and the private sector in disseminating new technologies and institutional innovations, and the implications of the gender-specific economic roles in African rural societies. Nevertheless, there are some positive examples of leadership and significantly enhanced sector and investment strategies in several countries, including Rwanda and the United Republic of Tanzania.

CAADP holds out much promise, but still has to prove itself as a catalyst for action. Its role has evolved over time, while its influence is still moderate. CAADP activities have been speeding up in 2009, though, and a series of country round tables organized recently by CAADP to develop national "compacts" could lead to increased momentum. CAADP compacts are high-level agreements between governments, regional representatives and development partners for a focused implementation of CAADP within the respective country (or region if it is a regional compact). They are meant to detail programmes and projects addressing national priorities to which the various partners can commit resources.

To some extent, AfDB has been helping fill the vacuum of leadership in African ARD at the international level through its food price crisis, which included efforts to coordinate donor support to the sector. For its part, IFAD has been actively working on the High-Level Task Force and its coordinated response to the food price crisis. The response to the food price crisis was timely, but has not been extended to address longer term strategic issues in the sector. The respective agencies have also taken the policy lead in some critical sub-sectors in several countries in Africa, for example, in water management (AfDB) or in rural finance and community development (IFAD). But neither agency has been capable of providing leadership in ARD as a whole, at regional or country level, nor is any other agency doing so consistently. The World Bank has not yet regained its former leadership role in the sector after its relative disengagement in the 1990s. The next challenge for AfDB and IFAD in Africa is to step up from niches of policy dialogue to the sector level, to actively engage with governments, with other donors, the private sector, and with regional and sub-regional bodies including CAADP, and work towards more government leadership and a more effective aid architecture for ARD in Africa.

Strategic implications for agriculture and rural development in Africa

The ARD challenges, opportunities, and new policy context described in the previous chapter suggest a strategic agenda for action that covers the range from enhancing agricultural productivity and markets through infrastructure, innovations and institutional changes to concerns for social and environmental vulnerabilities.

Any efforts to enhance African agriculture will have to focus first on smallholders, particularly women farmers, and ensure that agri-businesses and other rural institutions thrive and contribute to shared growth.

The sluggish entry of the private sector into input supply, marketing, rural finance, and technology development and dissemination in Africa has been particularly harmful to the development of the small farm sector, and determining the best ways in which these services should be provided remains a major challenge for ARD in Africa. Creating a favourable investment climate, spending on public goods and market infrastructure, fostering innovation and institutions, and expanding human capacity are at the heart of the agenda.

The four 'I's: investment climate, infrastructure, innovation, and institutional capacity

Increasing agricultural growth and productivity will require a wide range of actions to address the challenges set out in the previous sections. Priorities can be summarised in terms of "the four Is": (i) improving the investment climate, through better incentives for farmers and private-sector engagement; (ii) infrastructure, including irrigation; (iii) innovation, the primary motor for productivity growth and competitiveness; and (iv) institutional capacity. These are discussed in the following paragraphs.

The investment climate for agriculture includes ensuring: (i) adequate incentives for farmers from sound macro-economic, trade and sector policies; (ii) increased incentives for businesses and improvements in the business climate; (iii) reduction of transport costs for agricultural products; and (iv) reduction of barriers to inter-regional trade. It also means confirming rights to land, particularly for women, to give farmers the security to invest in their land. Farming should not be penalized by the taxation, adverse international trade conditions and negative protection for agricultural commodities that often harm African farmers.

Of particular importance is a fairer international trade regime that would allow African farmers to trade with the rest of the world on equal terms and that would prevent product dumping in Africa. This will depend on the outcome of international agreements. Publicizing cases where African farmers are harmed by protection and subsidies in OECD and some emerging developing countries helps to ensure that African interests are given due attention and that farmers and their associations can make their cases.

Investments in road and irrigation infrastructures are particularly important.[20] The unit costs of transport are reportedly far higher in Africa than in parts of Asia. High transport costs raise the cost of purchased inputs such as fertilizer and bring down farm-gate prices,

20/ Fan and Rao (2003) show that although public spending on agriculture raises agricultural growth rates in all developing countries, the effect comes largely from particular forms of spending in agriculture, through investments in roads and irrigation, and in research and education.

which reduce incentives. Also, only 7 per cent of arable land in Africa is irrigated – the figure is even lower in sub-Saharan Africa – compared with 33 per cent in Asia. Irrigation and water management promise to raise production and help farmers to deal with a more variable future climate. Given the poor record of investments in large-scale public irrigation schemes, the focus should be on small-scale schemes that can be managed by groups of farmers themselves.

Studies show high returns for investment in agricultural research and innovation in Africa. They also show that many countries in Africa spend smaller fractions of agricultural GDP on research than middle-income and high-income countries.[21] There is a need to expand regional and national agricultural science, technology and research institutions such as universities and bio-technology networks, particularly in view of the widening technology gap faced by African producers. This gap has to be closed by technologies tailored to many different agro-ecological environments and the latest bio-technology research. Science and technology should be focused on reducing poverty by expanding food production and enhancing sustainability.

Institutional and human capacity development is critical. Four types of institutions need to collaborate to support farmers in gaining access to credit, extension and markets, as well as in local and community development. These include: (i) the private sector, including businesses and farmers' and producers' associations; (ii) communities and civil society organizations; (iii) decentralized government institutions; and (iv) traditional sector institutions, which need reform to become more focused, efficient and effective. Collaboration among these institutions must be led and fostered by governments, with support from donor agencies as necessary. Governments, which have policy and financial responsibilities, need to drive decentralization and public-sector reform; opportunities to combine public and private initiatives should become apparent and ways to link small farmers with firms providing inputs, services and process or market outputs should emerge.

In developing institutional and human capacity it is critical to improve the capacity and efficiency of core public institutions, partly by replacing capacity lost as a result of past cuts in public spending, and to invest in the education and health of the farming population, particularly in terms of girls' schooling.[22] Institutions that help to mitigate market failures need to be fostered through the promotion of innovations and learning.

Developing institutional measures to remedy multiple market failures is a major challenge for agriculture in Africa. Solutions have been found to some of them: examples include (i) contract farming, public training and underwriting of input suppliers; (ii) brokering by third parties in deals between groups of small farmers and buyers; (iii) the formation of farmers' associations; and (iv) group lending. Such approaches are often specific to local conditions, so models cannot be transferred without adaptation.

Greater attention must be given to making rural finance and credit markets viable in a challenging environment. This is an area where innovation is needed: new financial products need to be developed so that micro-finance can be profitable in rural areas where populations are dispersed and transaction costs high. The solution to farm investment constraints needs to come from improved agricultural incentives, better markets and increased profitability so that farmers can invest in their farms and repay loans. This can be supported by accessible low-cost savings mechanisms such as postal savings accounts.

Reducing risks and vulnerability

There is increasing awareness of the need to find more effective ways to reduce and manage the risks facing farmers and rural people, and hence reduce vulnerability. Climate change, environmental and natural resource management issues will have to be addressed; the measures required will vary according to locality and context, but they will involve conservation of soil and water. Recent initiatives by other agencies include weather-related insurance for small farmers and social protection programmes designed to prevent the vulnerable from slipping into destitution. The sooner this can be done, the easier it will be to cope with altered climate in the future. There is a need to focus on innovation, science and technology with a view to reducing poverty by expanding food production and enhancing sustainability.

Gender equity

Remedying gender inequity remains a major challenge because farm work is carried out to a large extent by women. Raising awareness is a priority; other activities should include: (i) providing extension services oriented towards women farmers; (ii) helping to develop financial systems that meet women's needs in rural areas; and (iii) reducing the burden of household work and childcare by, for example, providing clean water close to settlements.

21/ Pardey *et al.* (2008) report 0.7 per cent of agricultural GDP for sub-Saharan Africa, compared with 2.4 per cent in high-income countries, 1.4 per cent in Brazil and 3 per cent in South Africa.
22/ Fan and Rao (2003) record high returns on investments in rural schooling and primary healthcare.

Addressing complexity: differentiating the agriculture and rural development agenda

The main elements of the agenda are clear, but the detail has to be adapted to national circumstances. In this respect, it may help to bear in mind four different intervention areas along two dimensions: (i) policies that do not require investments and programmes that do, and (ii) simple, proven approaches that can be implemented with confidence and complex approaches requiring adaptation to context. Table 1 illustrates these differences; the listing is of course not exhaustive, nor can all actions be neatly divided.

Ideally, all of the agenda should be addressed at any given time, but in many countries, and especially in fragile states, limited capacity to analyse, design and implement policy and investments means that development efforts need to be sequenced. What then should be the sequences? Unfortunately, while some broad guides are evident – for example, when the basics in Table 1 are lacking, then this is probably where the sequence starts, moving subsequently to more difficult issues – the detail of sequences in given situations is not well understood. Further questions of sequencing can probably be answered only by more detailed analysis at country level.

The ARD agenda can be seen in terms of proceeding with the basics, given the political commitment and resources, while engaging with more difficult issues. Much will depend on context. There will be a premium on knowledge and understanding, which will involve the participation of local people and use of their experience. The "blueprint" approach to planning and implementation is risky: it is better to proceed by trial and error and to learn from experience.

The emergence of new donors and foundations working on ARD and increased funding requires donors and international aid agencies to work in partnerships with each other and with African countries in the spirit of the Paris Declaration; each should identify its comparative advantages. Given that donors and foundations will vary by country, relationships and specializations need to be developed at country level. With more actors engaged, the value of CAADP as a coordinating mechanism increases.

The complex, broad, and rapidly changing strategic agenda for ARD outlined in this chapter already point to a set of characteristics of strategic support for ARD in Africa that all international agencies, including AfDB and IFAD, and regional governments will have to deal with in designing their programmes:

(i) **Interrelationship.** There are many things that need to be done, and some of them are clearly interrelated, such as increased productivity, enhanced market access, and institutional development.

Table 1 Different agriculture and rural development intervention areas

	Policies	Investments and programmes
Basics Relatively simple; proven; low risk; widely agreed	• Stable macro-economy. • No disproportionate tax on farmers whether direct and explicit or indirect. • Commitment to improving the investment climate. • Inclination towards more open trade, both with the world and especially with neighbouring countries.	• Agricultural research • Roads • Rural education • Primary health care • Irrigation, preferably small-scale and locally owned
Complex More difficult; high risk; complex; disputed needs innovation and adaptation	• Kick-starting development by offering additional support to farmers such as subsidies on inputs and credit or by protecting some activities from competition from imports. • Setting development strategies in fragile states when needs are many, resources few and capacity low.	• Balance public investment between higher and lower potential areas. • Deal with market failures, including those of high transaction costs and coordination failures, counter monopoly power, through institutional innovation. • Promote rural financial systems. • Conserve natural resources. • Promote more equitable gender relations. • Protect land rights, promote tenure that is fair and efficient. • Promote the rural non-farm economy. • Reducing risks faced by poor rural households.

(ii) Sequencing. Certain activities can be sequenced, and many even need to be. But the right sequencing also points to the need for priority setting within the sector at country and other levels.

(iii) Complexity. Interventions vary in their degree of complexity, from basic and relatively straightforward and easy to implement to highly complex.

(iv) Heterogeneity. The heterogeneity of Africa suggests very different kinds of intervention approaches in different settings. This is most evident in the different intervention areas for middle income countries versus fragile states and other low income countries, but applies similarly for agro-climatic conditions and market opportunities. Context analysis is key.

(v) Levels of intervention. There are different levels for policy and investment interventions, ranging from the regional, sub-regional, national to the sub-national level. For obvious reasons, the country level is the most important one, but needs to be complemented more actively than so far by regional and sub-regional actions, as well as by a decentralized focus at sub-national, local and community level.

(vi) Setting priorities. Flexibility and partnering. It is likely, that the strategic agenda can only be partly covered and over time. All agencies involved need to set priorities, while at the same time they need to keep the necessary flexibility to respond to emerging circumstances. Selectivity and partnering are essential.

What IFAD and the AfDB have been and are currently doing to address this agenda will be reviewed in the following chapter.

Box 1 Challenges and opportunities in Africa

- **African economies have been growing in recent years.** This growth is not uniform. Landlocked and resource–poor countries usually have the slowest growth rates.
- **Macroeconomic and sector policies have improved, and commodity prices appear to be stabilizing at higher levels.** This provides a better investment climate for the private sector and opportunities for agricultural development, even though the current global recession poses a serious challenge for maintaining the pace of growth of recent years.
- **Agriculture has the potential to be an engine for growth.** Agricultural growth supports economic growth; it is essential in reducing poverty, hunger and malnutrition and in achieving the MDGs. The prospects for growers of traditional crops are good, which is the mainstay of Africa's small farmers. To support agricultural growth, an enabling environment must be created and private-sector investment in agriculture must be enabled through improved roads to reduce transport costs, scientific and technological advances to improve productivity, enhance sustainability, and market development to give access to input/output markets to all actors, including smallholder farmers and women.
- **Development led by the private sector and commercialization of small farmers in sub-Saharan Africa.** This is one of the main ways of reducing poverty and contributing to agricultural growth. But there are numerous challenges for smallholders, many of whom are women.
- **Political will.** This is required to prioritize and support agriculture; it is emerging through CAADP and the Maputo Declaration.
- **Changing aid systems.** These include: (i) re-engagement by donors in terms of support for ARD in Africa; (ii) consensus on the Paris Declaration and its focus on country-led policy and operations; and (iii) numerous new donors providing assistance for ARD, which is having an impact on transactions costs for countries in Africa.
- **Other challenges.** To support growth it will be necessary to: (i) cope with unfavourable external conditions such as northern countries' subsidies and protectionist policies; (ii) resolve conflicts; (iii) mitigate the impacts of epidemics; (iv) cope with uneven improvements in governance and limited political decentralization; (v) address slow regional integration and the under-funding of regional and sub-regional organizations; (vi) deal with inadequate national fiscal commitment to ARD; (vii) increase the volume and quality of aid from traditional donors; (viii) accelerate progress in creating infrastructures linking land-locked countries and remote regions of coastal countries to the centres of demand and to ports; and (ix) deal with land management and land tenure issues. These issues are exacerbated in fragile states, which will require new approaches.
- **Policy, leadership and knowledge gap.** Barring in some countries, there is a policy, leadership and knowledge gap in ARD. This is a result of the complexity and heterogeneity of ARD in Africa, inadequate leadership, weak knowledge systems, poor institutional capacity, and insufficient policy formulation and implementation capacity in many African countries.

Relevance of AfDB and IFAD in the changing agriculture and rural development context in Africa

3

This chapter describes how AfDB and IFAD are addressing the ARD challenges outlined in chapter 2. This is preceded by an overview of ARD operations and policies of the two organizations so that readers can gain an appreciation of IFAD and AfDB strategies, priorities, focus and approaches in Africa.

AfDB and IFAD operations in agriculture and rural development in Africa

Overview

IFAD and the AfDB have been and remain significant players in ARD in Africa. They have provided the continent with a combined cumulative total of more than US$10 billion in loans and grants for the purpose, which increases to about US$17 billion when cofinancing and borrower contributions are included. These are substantial amounts and do not include ancillary investments, mainly by the AfDB, in general rural infrastructure such as transport, communications and power, as well as rural health and rural education.

The importance and relevance of IFAD and AfDB in recent years is reflected in a comparison of official development assistance commitments to ARD in Africa on the part of the largest international donors (see appendix 4). Although uneven, there was a generally upward trend in aid commitments to ARD by all donors during the period 1976-1990. Thereafter, combined commitments by main donors declined by two thirds until the late 1990s when they again began to recover. This recovery was driven by the combined efforts of the AfDB and IFAD, which have more than doubled their commitments since 1997: most other donors have more or less flat-lined or even reduced their aid. More specifically, and as mentioned before, between 1998 and 2007, the two organizations accounted for almost 50 per cent of all multilateral aid for ARD to Africa. Since then, the contribution of AfDB and IFAD has decreased to a certain extent, as other donors, in particular the World Bank, the EC, and new bilateral donors have increased their official assistance to ARD. Yet, in terms of volume of aid commitments to ARD, AfDB and IFAD remain substantial players in Africa.

The two agencies involved in this review are quite different. IFAD is an inherently ARD sector-specializing organization with defined niches, operating in all world regions spanning over 100 countries. It supports smallholder farmers, women and the rural poor, and focuses on pro-poor innovation, gender mainstreaming, rural institutions, and community development. IFAD also works with small producers and entrepreneurs to enhance their access to markets. The Fund is relatively small, with about 250 professional staff.

AfDB is a multi-sector organization, although it is seeking to be more selective and narrow its scope. It operates in 54 African countries and has a much larger cadre (about 700 professional staff) spanning several disciplines. Although AfDB has a broad agenda, it is increasingly focusing on the provision of major infrastructure and improving governance. AfDB is also scaling up its operations with large scale enterprises. It seems clear that the mandates and policies of the two institutions are distinct, but complementary, and are, separately and together, highly relevant to Africa's current and future needs in ARD.

In 2008 alone, IFAD approved ARD financing of US$235 million (loans and grants) in 13 African countries, while in the same year AfDB provided US$360 million to 17 countries. The total ARD portfolios for IFAD and AfDB in Africa in 2008 were US$2.09 billion and US$3.98 billion, respectively, with ongoing activities in almost all countries in the continent. These are substantial amounts and do not include, as mentioned above, ancillary investments, mainly by the AfDB, in general rural infrastructure such as transport, communications and power, as well as rural health and rural education. AfDB's individual operations in ARD in Africa are typically larger than IFAD's.

In IFAD, investment projects and programmes in Africa comprise more than 40 per cent of its ongoing global portfolio and new annual commitments. Of all the countries borrowing from IFAD around the globe, most are located in Africa, and most of these receive loans on highly concessional rates.[23] The operations in Africa are managed respectively by the Eastern and Southern Africa, Western and Central Africa, and Near East and North Africa divisions. IFAD was only allowed to undertake direct supervision and implementation following the approval of the Fund's supervision policy in December 2006 and is increasingly moving in that direction. Likewise, traditionally, IFAD has been a headquarters-based organization. Only in the past 4-5 years has it started to establish country presence, which is still quite limited though gradually expanding.

At the AfDB, the relative importance of newly approved investments specifically for agriculture in its portfolio has declined somewhat over the past decade from about 13 per cent of all loan approvals in 2004-2006 (and an even higher 18 per cent for the period before), to about 8 per cent for 2007/2008. This is due to the rapidly increasing overall volume of lending at the Bank over the past decade, whereas lending for agriculture remained relatively constant. The absolute volume of investments for agriculture since 2001 stabilized at around US$350 million annually (reaching US$360 million in 2008 as mentioned above).[24] Also, many ARD activities with relevance in the AfDB are financed through other sectors, such as public investments in rural roads and transport, energy, communications or water for household consumption. Since 2006, AfDB's expanded private sector operations have been increasingly focusing on agri-business investments, through large-scale private operations (above US$15 million) and public-private partnerships, particularly in middle-income countries.

Policies of IFAD and AfDB in agriculture and rural development

Both agencies have adjusted and focused their policies and strategies for ARD in Africa in recent years, to align them with the new unfolding economic and international aid landscape. The AfDB has recently redefined its vision and role in agriculture in the new Medium-Term Strategy for 2008-2012 and has subsequently refocused its rather wide-ranging ARD policy of January 2000 on fewer activities. IFAD formulated a new strategic framework for 2007-2010, building on a set of regional strategies issued in 2002. Both agencies are concerned about poverty reduction: IFAD through directly targeting poor small and landless farmers and women, AfDB primarily by supporting the drivers of stronger and more equitable growth, and economic integration. Table 2 summarizes and compares the strategic objectives and priorities of AfDB and IFAD.

IFAD's main objective is that rural women and men in developing countries are empowered to achieve higher incomes and improved food security at the household level, among other issues, by promoting better natural resources management, access to financial services, improved technologies, and transparent input and output markets. Its main principles of engagement are selectivity and focus, targeting, empowering the rural poor, innovation, effective partnerships and sustainability.

The new AfDB vision and strategy emphasizes investments in infrastructure, governance, private sector and higher education. Investments in these core thematic priority areas are supposed to support the Bank's goals in poverty reduction, regional integration, human development, and agriculture. This new focus compares with a stronger emphasis on rural and human development in the previous vision and strategy of the early 2000s. In line with the new corporate thematic priority areas the Bank's Department of Agriculture and Agri-business (OSAN) developed a new departmental business plan in 2007/08 to complement and update the old Agriculture and Rural Development Policy of January 2000. The extensive and efficient response by the Bank to the food price crisis in 2008 helped to further refine the new priorities for the sector.

The OSAN is responsible for agriculture and the part of rural infrastructure most closely connected to agriculture (e.g. rural feeder roads, irrigation or rural finance). Its current business plan and strategy is selective and focused on agriculture and agri-business rather than on broader rural development issues as before. Under this new strategy, OSAN interventions are largely concentrated on: (i) support for rural infrastructure; (ii) growth in crop productivity, particularly through water, rural roads, and fertilizer; (iii) development of post-harvesting technologies, markets, and agro-industry; (iv) livestock and fisheries production; (v) natural resource management; and (vi) adaptation to climate change. The Bank's new

23/ IFAD lends on highly concessional, intermediate and ordinary rates. The highly concessional rates do not entail an interest rate for loans, but just a service charge of 0.75 per cent.

24/ The African Development Fund (ADF) is part of the Bank Group. The African Development Bank Group provides a wide range of lending products. The relative decline in ARD funding noted above is more pronounced for the Bank's non-concessional window for middle-income countries than for concessional funds from its ADF window, which provides concessional loans and grants to Africa's poorest countries. No interest is charged on ADF loans; however, the loans carry a service charge of 0.75 percent per annum on outstanding balances.

business plan for agricultural water development and water storage enhancement which was submitted to the Board in July 2009 is a good example of the Bank's new focus and partnership approach in agriculture (see box 2).

Its ambitious goals build on full alignment with CAADP, and the division of labour and financing among a committed group of international partners, including IFAD, the World Bank, FAO, and the International Water Management Institute.

Table 2 AfDB and IFAD strategic objectives for agriculture and rural development in Africa

	AfDB (since 2007/2008[25])	IFAD (since 1998[26])
Corporate goals	"The Bank will increase selectivity, with particular operational focus on infrastructure, governance, developing a more robust private sector and higher education. Through investments in these areas the Bank will contribute directly to regional integration, middle income countries, and fragile states assistance, human development and agriculture." "The Bank will have a focus on poverty reduction, primarily by supporting the drivers of stronger and more equitable growth, opportunity and economic integration."	"Enable the poor to overcome their poverty by fostering social development, gender equity, income generation, improved nutrition, environmental sustainability and good governance through empowering poor people, giving them more and better knowledge, expanding their influence on policy and enhancing their bargaining power in the marketplace."
Main priorities for ARD	For agriculture, the corporate focus of AfDB on infrastructure, governance, private-sector involvement and higher education translates into the following strategic priorities: • Expanded rural infrastructure and crop productivity, particularly in terms of water for agriculture, rural roads, and fertilizer • Special focus on rice, livestock, and fisheries • Post-harvest technologies, markets, and agri-business investments • Natural resource management and climate change adaptation and mitigation Through • Capacity-building and policy advice for agricultural governance and trade • Stimulated private-sector investments and public/private partnerships in agriculture • Promotion of African science, technology development and agricultural research	Strengthen the capacity of poor rural people through empowerment and institution-building so that they have the skills and organizations required to: • Improve rural development policies • Raise agricultural and natural resource productivity (land and water) and improve access to technology • Increase access to financial and other markets • Reduce vulnerability to major shocks • Diversify rural employment
Principles of engagement	• Gender mainstreaming • Climate change and environment • Knowledge generation and innovation	• Strategic focus • Targeting • Empowerment of poor rural people • Gender equity • Partnerships • Innovation, learning and scaling up

25/ From AfDB's *Medium-Term Strategy 2008-2012*; the African Development Bank Group Response to the Economic Impact of the Financial Crisis, 2009; and the draft 2007 Agriculture and Agro-Industry Department (OSAN) strategy and business plan.
26/ From the *Strategic Framework for IFAD 2002-2006*, Rome, 2002; and the *IFAD Strategic Framework 2007-2010*, Rome, December 2006. The new Strategic Framework rearranged, but did not fundamentally change, the objectives.

Box 2 The Bank's new business plan for agricultural water development

Under the African Food Crisis Response the AfDB targets, among others, to develop an area up to 500,000 ha under improved agriculture water management (AWM) which represents about 3.8 per cent of the total irrigated area in Africa. Meanwhile, investments in water storage capacity by at least 1 per cent (an additional storage of 8.5 Billion Cubic Meters-BCM) will provide enough water to irrigate new areas up to 767,000 ha and hydro-power generation of about 1,181 MW.

According to its new Business Plan for Agricultural Water Development, for 2008-2013 the Bank, in collaboration with other partners, is expected to embark on the preparation and implementation of operations aiming to achieve these targets. The Bank recognizes the need for a workable division of labour. A working group on *'Investment in agricultural water for poverty reduction and economic growth in sub-Saharan Africa'* was established together with World Bank, FAO, IFAD and the International Water Management Institute.

The development of Water Business Plan has been guided by the CAADP pillars and the African Water Vision 2025. It pays particular attention to the principles of integrated water resources management, enhanced regional integration and trans-boundary water management, and effective mainstreaming of gender equality and impact of climate change.

The development of the work program was jointly prepared by the Agriculture and Agro-industry Department (OSAN), the Infrastructure Department and in collaboration with and Water and Sanitation Department.

The total estimated investment requirements of the proposed business plan for improved agriculture water management and water storage is estimated at about UA 4,941 million of which the Bank could finance a share of about 30-40 per cent, in collaboration with other cofinancing partners and governments. In addition to cofinancing the infrastructure, the Bank will reach out for partners to support non-core competence activities including support of extension services, provision of improved seeds and agronomic practices, and the management of farmers' organizations.

For IFAD, three quotations from the IFAD Strategic Framework 2007–2010 convey its strategy best:

(i) "IFAD's overarching goal is that rural women and men in developing countries are empowered to achieve higher incomes and improved food security at the household level. IFAD will aim to ensure that, at the national level, poor rural men and women have better and sustainable access, and have developed the skills and organization they require, to take advantage of: (a) natural resources (land and water); (b) improved agricultural technologies and effective production services; (c) a broad range of financial services; (d) transparent and competitive agricultural input and produce markets; (e) opportunities for rural off-farm employment and enterprise development; and (f) local and national policy and programming processes, in which they participate effectively."

(ii) "Selectivity and focus: IFAD will not work outside rural areas. It will not target the non-poor. It is not mandated to respond directly to emergencies and provide relief. IFAD will finance social service delivery – local water supplies, health and education facilities – only in response to the defined needs of local communities, where the facilities are limited in scope and critical for the achievement of project objectives, and where other financing sources are not available. IFAD's expertise is specific to the rural sector: it will engage in policy dialogue only in the areas of its competence, and it will not use general budget support as a means for disbursing its resources. Targeting: Its target group is made up of extremely poor rural people who have the capacity to take advantage of the economic opportunities offered by IFAD engagements."

(iii) "All elements of IFAD's country programmes will be expected to be innovative. Yet innovation without scaling up is of little value" (IFAD, 2007a).

In recent years, IFAD has produced policy papers on indigenous peoples and rural finance (2009), improving access to land and tenure security (2008), sector-wide approaches (SWAps) (2006), knowledge management and innovations (2007) and supervision and implementation support (2006). The Private Sector Development and Partnership Strategy (2005) contains an innovative definition of the rural private sector: "IFAD's direct target group is the rural poor, who tend to be concentrated at the smaller end of the private-sector continuum. This group is considered part of the private sector because, in essence, it comprises agro- or rural-based micro entrepreneurs who make their own economic decisions regarding what to produce and how to produce it, what to buy and sell, who to buy from and sell to, how much to buy or sell, and when."

IFAD produced three regional strategies[27] for Africa in 2002; they tailored the Strategic Framework 2002–2006 to the regional contexts, and provided a framework for country strategy formulation and project and programme design. But they have not been enhanced since, even when the Strategic Framework 2007–2010 was introduced. The decision by management in 2006 not to develop further regional strategies may not have been appropriate.

The evaluation sees AfDB and IFAD and their mandates as follows: (i) AfDB, the larger of the two, has a broader mandate that allows it to finance or cofinance certain types of programmes such as large-scale infrastructure projects and support for regional institutions that are beyond the capacities of IFAD and have benefits for poor and non-poor population groups. As a regional institution, it has influence at the continental level that it can leverage in partnership with institutions such as the AU and NEPAD and sub-regional organizations. (ii) IFAD focuses on empowering poor agricultural producers in all aspects of their agricultural and development activities and organizations. It aims at creating opportunities to innovate and collaborate with others to scale up innovations that have been successful piloted through the operations it finances. IFAD also provides funding towards various national programmes such as agricultural research and rural finance that have a significant impact on rural poverty and policies.

In the last few years, both institutions have increasingly sought to use country strategies and a programme-based approach to guide their work. In 2005 and 2006, the two agencies introduced new results-based formats for developing their country strategy documents. These country programmes reflect a shift in strategy: to make the country the principal unit of account in order that country portfolios of loans and grants, complemented by knowledge management, policy dialogue and knowledge management, are designed to be well aligned with the poverty reduction strategies of partner countries. Such strategies and programmes are expected to capture synergies that render the results greater than the sum of the individual parts.

AfDB and IFAD response to challenges in agriculture and rural development in Africa

This section provides a snapshot of ways in which AfDB and IFAD have responded to some of the challenges affecting ARD in Africa. These include the "policy gap" identified above, under-supply of public goods, regional integration, access to markets, private-sector engagement, gender, international trade, challenges associated with the multi-dimensional nature of poverty, and climate change.

The role of AfDB and IFAD in policy dialogue and filling the leadership and policy gap has been limited: neither has seen policy dialogue as its mandate or its strength in the past, being concerned primarily with funding investments. But both have been increasing their attempts to influence policy at the sub-sector level, for example in artisanal fisheries (IFAD) and water management (AfDB), drawing on the experience of the investment projects funded.

There has generally been an under-supply of public goods in ARD. Over the years, AfDB has financed with priority the construction and maintenance of rural roads and power supply, as well as irrigation systems. With recognized capacity in these sub-sectors, AfDB is able to give valued advice to governments. IFAD has also supported development of local infrastructures, for example by investing in feeder roads and small irrigation systems, as well as in health, education, and drinking water supply in partnership with the Belgian Survival Fund.

27/ (i) West and Central Africa, (ii) East and Southern Africa, and (iii) North Africa in the framework of the strategy for Near East and North Africa.

But both organizations could do more to fill the large gap, particularly in closer cooperation with the private sector. The evaluation found that good or promising results were achieved when investments were made in regional public goods such as agricultural research – examples include the IFAD roots and tubers programme in West Africa, AfDB funding for Nerica rice, and control of animal diseases and locusts by AfDB and IFAD.

Both AfDB and IFAD are paying special attention to farmers' access to markets. The IFAD Strategic Framework 2007–2010 includes promoting access to markets and engagement of the private sector. Recent country strategies and operations have emphasized commodity value chain approaches, the provision of rural finance and the commercialization of small farmers in general. AfDB specifically focuses on enhanced marketing through better post-harvest technologies, rural market infrastructure, and agri-business development, lately through its private sector window. Both agencies recognize the importance of the private sector in promoting access to markets, but their efforts in the past have not matched the important role of the private sector in ARD.

Neither AfDB nor IFAD has systematically engaged in a debate on the issue of international trade. This would not matter if there were other agencies active in this area, but there are few and it is arguably a donor "blind spot". Not much has been done by donors to remedy the imbalance of small African countries trying to negotiate in Geneva with a team of one or two often inexperienced officials, while OECD countries arrive with numerous staff. IFAD's growing assistance for farmers' federations may contribute to this problem being taken more seriously, because the federations can advocate with governments and draw the attention of international donors to the topic, but this is clearly not enough. Therefore, there are opportunities for the two organizations – in particular the Bank – to increase their involvement in this topic: for example, by helping to build the capacity of African governments to engage in international trade negotiations.

In terms of land management, as mentioned before, IFAD has issued a policy in 2008 on improving access to land and tenure security. In 2006 the Bank, in collaboration with the AU Commission and UNECA, initiated a process for the development of a framework and guidelines for land policy and land reform in Africa with a view to strengthening land rights, enhancing productivity and securing livelihoods for the majority of the continent's population. This policy framework and guidelines were adopted at the AU Summit in Libya recently.

AfDB and IFAD recognize the importance of promoting gender equity. Both have gender action plans, as well as guidelines on gender issues for staff preparing projects. Both agencies try to ensure that the practical interests of women are taken into account in their projects, with IFAD being particularly concerned about poor women's empowerment. But the social and political environments into which these inputs are made are often not receptive, though they are changing, and it is especially difficult to ensure that women have a say in decision-making. Current efforts on gender by both agencies are not commensurate with the scale and importance of this issue. For example, as mentioned in chapter 4, the joint evaluation found that only few past projects treated gender mainstreaming with due attention.

Climate change is another area of challenge. Both AfDB and IFAD are addressing climate change and have dedicated units at their headquarters, but staff has little experience of policy and operational work in this area. Given the varied nature of problems of natural resource management, it is difficult to judge how well the work of AfDB and IFAD matches the needs. AfDB plans to work more on these issues: if there is a focus on water management, this would complement its work on irrigation and drainage. Through its partnership with the United Nations Global Mechanism of the United Nations Convention to Combat Desertification and the International Land Coalition, IFAD also has an opportunity to enhance its activities related to climate change.

In terms of vulnerability the Bank and IFAD stepped up to the challenge of rising food prices in 2008. Within three months the Bank developed a comprehensive US$600 million programme by realigning its existing portfolio and providing quick-disbursing budget support. Similarly, IFAD also quickly committed funds to tackle the crisis, both for the immediate and the longer term. But as a whole, programmes and projects that directly address vulnerability are rare in AfDB and IFAD as they remain focused on providing support for investments in agriculture which are part of the longer-term solution to the food price crisis. Increasing social protection programmes is not needed from the two agencies, given the many efforts by other donors and non-governmental organizations (NGOs) with government to pilot social protection initiatives.
A more pertinent issue is the extent to which risks confronting poor rural households are treated within projects that are not primarily about risk. Ideally, given the prevalence and importance of risk, this

theme should be appearing in project design as a mainstream concern. For instance, the use of farming as a safety net against vulnerable situations is not always appreciated.

In the context of vulnerability, the special circumstances of fragile states and other low income countries deserve more attention. Although the AfDB has a focus in its 2008 Medium-Term Strategy on fragile states and IFAD has a strong mandate to work with the poorest and most marginal, both agencies seem to have favoured low-income countries that are not fragile, AfDB to a greater extent than IFAD. However, AfDB now has a fragile states policy and IFAD operations in fragile states are currently guided by its 2006 Policy on Crisis Prevention and Recovery.

The joint evaluation made an attempt to judge the extent to which the agencies design projects that take into account recent thinking about pertinent issues. Four topics in ARD were selected – community-based rural development, irrigation, livestock and rural finance. For each of these, the literature was reviewed to establish the main recommendations from contemporary understanding of the topic, and then four or more recently planned and approved projects in each of the areas were compared against these criteria. The findings did suggest that in many respects most of the programmes did indeed incorporate the implications of current wisdom. Put otherwise, none of the programmes appeared to ignore many of the critical points.

In sum, both IFAD and AfDB have a clear corporate vision of what they should do, and also – importantly – what they should not do with regard to ARD in Africa. Although there is some room for improvement, as noted above, both institutions are nevertheless highly relevant to the challenges facing the sector.

The challenge of multiple problems and complexity

Both IFAD and AfDB face a heterogeneous and complex ARD context in Africa. Rural poverty is multifaceted, and the institutions often confront situations of multiple disadvantages. In response to this, both agencies in the past adopted a comprehensive approach to agriculture development and combating poverty rather than defining a clear strategic focus and being selective. A common reaction in IFAD and AfDB has been to design interventions that tackle many of the problems seen, resulting in projects with multiple components. (See appendix 11 for the evolution of sub-sector shares in AfDB's and IFAD's agriculture and rural development portfolio in Africa).

This is also partly due to the insufficiency of analytical work undertaken by the two organizations. Better analysis could assist in determining priorities based on their respective comparative advantages and areas of specialization.

IFAD, in line with its mandate, tends to operate in remote regions with low levels of development and sometimes poor natural resources, where it works with some of the most disadvantaged groups. Accordingly, problems are many and complex and donors and government interventions are often few. It is therefore not surprising to find a major increase in IFAD rural development projects in the present decade addressing many dimensions of rural poverty such as agriculture, community infrastructure, institution building, empowerment and capacity-building and off-farm employment. Similarly, the African Development Bank increased over time the share of multi-subsector interventions in its ARD portfolio although it has less of an area-focused approach than IFAD does.

The danger with the resulting multi-component projects is that they are usually difficult to manage, and resources can be dissipated in an attempt to address all problems instead of focusing limited capacity on the most pressing issues or on activities most likely to succeed. One alternative is to address difficult situations with sequential actions. There are examples in Ghana and the United Republic of Tanzania, where IFAD first promoted agricultural production and subsequently financed projects to deal with market access.

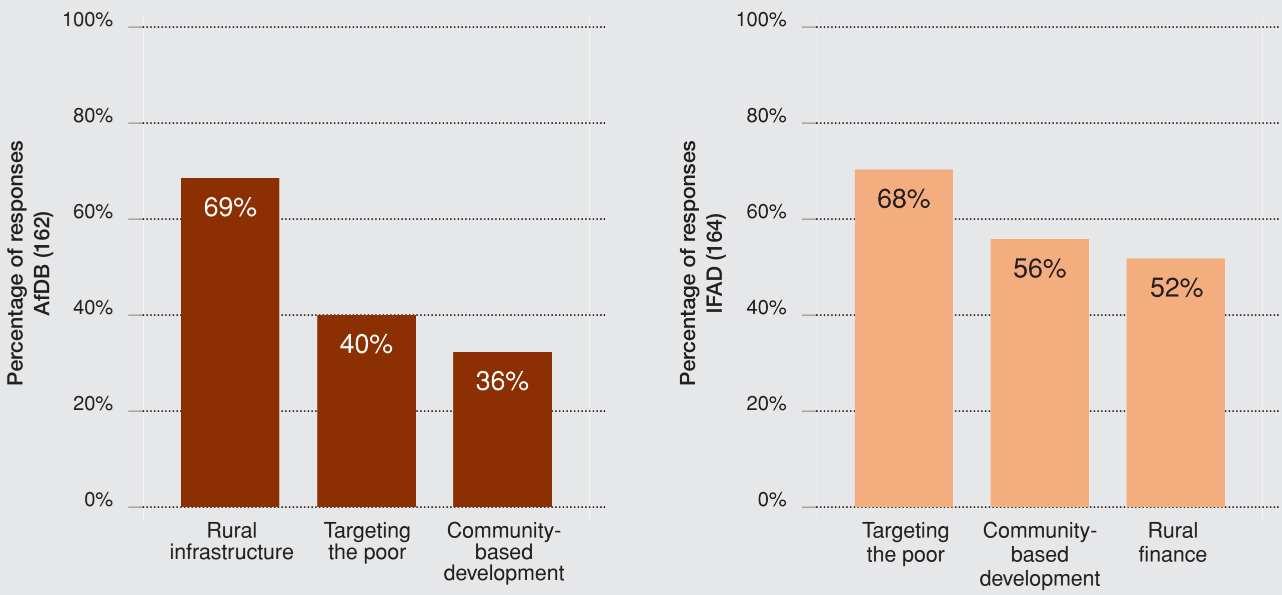
Another alternative to multi-component projects is to engage in strategic partnerships based on each organization's comparative advantage and specialization, in which different agencies tackle different aspects of the problem with coordinated but separate or parallel projects. Yet, the potential of partnerships to address the multi-faceted nature of poverty has not yet been sufficiently recognized by AfDB and IFAD. Looking at ongoing investments, many of AfDB's projects concern basic investments, such as roads and irrigation, whereas much of IFAD's work falls into the more complex category, such as community mobilization, dealing with market failures, building rural financial systems, and protecting land rights. This could suggest a possible division of labour between AfDB and IFAD. Given the prominence of IFAD and other agencies in addressing more complex issues, there is a good case for AfDB concentrating on basic investments such as infrastructure where it has experience and a comparative advantage.

The perception survey carried out by the joint evaluation among African decision-makers also indicates that both agencies have clear perceived comparative advantages which suggests that partnership and a clear division of labour offers a way forward in ARD (see figure 4). IFAD was seen as most effective in targeting the poor, community-based development, and rural finance, each topic being mentioned by more than half of the respondents. For the Bank, only rural infrastructure achieved more than 50 per cent of responses as a comparative advantage area, followed by targeting the poor (40 per cent) and community-based development (36 per cent). In sum, IFAD and AfDB have been and remain significant players in ARD in Africa. This shows in the sustained volume of support for ARD when other donors were drawing back in the 1990s and early 2000s, and their willingness to address a wider range of issues in partnerships. The Bank and IFAD were among the first institutions to rally around and respond to the food price crisis of 2008. The policy and programming focus of each institution is fairly focused, and becoming increasingly so. It addresses relatively small, but important parts, of the overall agenda.

IFAD concentrates on activities of a more complex nature, including targeting the poorest and innovating, while AfDB focuses more on basic investments, in roads, irrigation, and markets; and complementing or upgrading other interventions.

Yet, a tendency remains in both agencies to address multiple problems with multi-component projects. While these may be appropriate under some circumstances – such as in IFAD's targeted community approach – a focus on everything can also mean that projects become relevant to nothing in particular. Secondly, while investment programmes are important and the two agencies are 'keeping abreast' of policy developments, it is not clear that AfDB and IFAD are well-equipped to deal with wider policy questions and the policy and leadership gaps in ARD found by the evaluation. Both agencies have also so far neglected some important policy questions, notably around trade. And thirdly, AfDB's corporate focus on fragile states and IFAD's agenda of working with the poorest and most marginal population groups suggests a much stronger involvement in fragile and post-conflict states. These are the three major areas where relevance of IFAD and AfDB in ARD in Africa could be enhanced.

Figure 4 **Areas where AfDB and IFAD are relatively more effective than other agencies**



Source: Perception survey (2008). Out of the 200 individuals surveyed, 162 and 164 expressed their perceptions about AfDB and IFAD operations, respectively.

Box 3 Relevance of AfDB and IFAD in the changing agriculture and rural development context in Africa

- IFAD and AfDB have different mandates and strategic priorities. AfDB is a regional multi-sectoral lending institution; IFAD is a global lending institution targeting poor smallholder farmers and women.

- AfDB's broader mandate allows it to finance or cofinance large-scale infrastructure projects and support regional institutions. Even though IFAD finances national programmes in some countries, it focuses on empowering poor agricultural producers in all aspects of their agricultural and development activities and organizations; it has many opportunities to innovate and collaborate with others to scale up successful innovations.

- A snapshot of the ways in which AfDB and IFAD have responded to some of the ARD challenges in Africa:
  - The role of the two organizations in providing policy advice has been limited, but both have increased their attempts to influence policy at the sub-sector level, for example in rural finance, artisanal fisheries and irrigation management, drawing on the experience of the investment projects funded.
  - Both organizations could have done more to fill the large gap in supply of ARD public goods such as infrastructure, science and technology, and market development.
  - There have been good or promising results when investments have been made in regional public goods such as agricultural research at the regional level and control of animal diseases and locusts.
  - Both organizations recognize the importance of the private sector in promoting access to markets, but their efforts to engage the private sector have not been commensurate with the role it can play in promoting ARD.
  - Neither AfDB nor IFAD has systematically engaged in debate on international trade, in spite of the fact that a fairer trade regime would allow Africa and its farmers to trade with the rest of the world on equal terms and prevent product dumping in Africa.
  - IFAD has a new policy on land tenure and the Bank is working towards developing a framework and guidelines on the same topic.
  - Both organizations are addressing climate change and have dedicated units at their headquarters, but staff has little experience of policy and operational work in this area.
  - Both organizations recognize the importance of gender in African agriculture, but greater efforts are warranted given the extensive role of women in African agriculture.

- In response to the challenges associated with the multi-dimensional nature of poverty, AfDB and IFAD in the past adopted a comprehensive approach to combating poverty rather than defined a clear strategic focus and being selective. In recent years the policy and programming focus of each institution is becoming more focused, with the country level considered as the unit of account rather than individual investment projects.

- A tendency remains in both agencies to address multiple problems with multi-component projects, which may be appropriate under some circumstances but also tended to lead to co-ordination challenges and eventually a dilution of relevance in the past.

- The two agencies are keeping abreast of policy developments, most clearly shown in their quick and effective response to the 2008 food price crisis. But it is not clear that AfDB and IFAD are well-equipped to deal with critical policy questions, such as trade.

- AfDB corporate focus on fragile states and IFAD's agenda of working with the poorest population groups suggests a much stronger involvement in fragile and post-conflict states, for which the policies are in place in both agencies.

Assessing performance

4

Introduction

This chapter assesses the performance of past country strategies[28] and projects funded by IFAD and AfDB in Africa and identifies reasons for that performance, mainly on the basis of existing evaluation reports. The chapter draws on the findings in the dedicated report on the meta-evaluation of past performance[29] undertaken in the interim phase of the joint evaluation. The meta-evaluation was based on project and country programme evaluations undertaken by OE and OPEV between 2003 and 2007. The chapter also includes information from the eight country studies carried out by the joint evaluation team and the production of a report on the quality-at-entry[30] of new country strategies and project design documents.[31] A statistical analysis of data from the meta-evaluation was carried out to identify correlations between IFAD and AfDB project performance and factors that could be associated with high or low performance.[32]

In spite of the forward-looking nature of the joint evaluation, this chapter on past performance is important as it provides a benchmarking for IFAD and AfDB, using the same methodology for meta-evaluating a set of projects. The past performance of IFAD operations in Africa has been documented in other evaluation reports such as the ARRI, and the AfDB synthesized much of its ARD project experience in country sector reviews and evaluations. This meta-evaluation also facilitates benchmarking of performance between AfDB and IFAD, and other donors working in ARD in Africa such as the World Bank.

Evidence considered for assessing project performance

The meta-evaluation in the interim phase of the evaluation was undertaken to ensure broad coverage in assessing the performance of ARD strategies and operations in AfDB and IFAD. The use of existing evidence enabled a relatively rapid assessment, which would have otherwise been costly and time-consuming.

The meta-evaluation was based on project and country programme evaluations undertaken by OE and OPEV between 2003 and 2007. This period was specified because of the introduction by OE of its common project evaluation methodology in 2003, applied in all evaluations since then. Evaluation reports covering 55 projects by AfDB and IFAD were reviewed; of these, 28 had previously been evaluated by IFAD and 27 by AfDB. For IFAD, 24 of the 28 projects were assessed through independent OE evaluations; for the remaining four, project completion reports (PCRs) prepared by IFAD's Programme Management Department were utilized, after review and validation by the meta-evaluation team. The assessment of AfDB's project performance was mainly based on PCRs, which had been reviewed and validated independently by OPEV. Project performance evaluation reports prepared by OPEV were available for six of the 27 AfDB-funded projects under consideration.

Portfolio age

The selection of the period 2003–2007 for the meta-evaluation entailed consideration of country strategies and projects approved and implemented some years before. It would not have been possible to assess the

28/ Strategies are known as country strategic opportunities papers/programmes in IFAD and country strategy papers in AfDB.
29/ Available at: http://www.ifad.org/evaluation/jointevaluation/docs/annex2.pdf
30/ Available at: http://www.ifad.org/evaluation/jointevaluation/docs/porfolio.pdf
31/ Based on the quality-at-entry review, examples of good practices followed by the two organizations in recent country strategies and project design may be found in appendix 10.
32/ These include government performance, lending agency performance, complexity of the project and income group of the partner country.

development results of AfDB and IFAD had more recently approved projects been selected for review in the meta evaluation, given that at the time of the joint evaluation they would have been under implementation only for a limited period of time.

The IFAD-funded projects analysed in the meta-evaluation were approved between 1990 and 2000; the AfDB-assisted projects were approved between 1988 and 1996. The design of these earlier projects may not reflect the characteristics of more recent projects and so could reduce the usefulness of the lessons from the meta-evaluation. But several projects designed in the early 2000s at IFAD and in the last part of the 1990s at AfDB had characteristics similar to those of the operations considered in the meta-evaluation, and several of the projects were being implemented and disbursing funds until 2005–2007 (IFAD) and 2005–2006 (AfDB). Development projects can also be adjusted during implementation to reflect the latest thinking and experiences. So, in spite of the age of the projects reviewed, the assessment could be of significant value in discerning patterns of problems and their causes, especially where the issues have not been addressed in recently approved operations.

Evidence for assessing country programme performance

In addition to project performance, the joint evaluation analysed performance at the country programme level. Eight country programme evaluations by OE and 13 country assistance evaluations/agriculture sector reviews by OPEV were considered in the meta-evaluation. Some previous corporate-level evaluations such as that of the direct supervision pilot programme and the field presence pilot programme in IFAD (2007) were used to supplement evidence on performance at the country programme level.

The country work phase

The objectives of the country visits were to test the hypotheses in the interim report and hold discussions with stakeholders in Ghana, Mali, Morocco, Mozambique, Nigeria, Rwanda, Sudan and the United Republic of Tanzania. Working papers for each country and a synthesis report on the country visits were produced. As mentioned in chapter 1, a perception survey was conducted in six countries (Ghana, Mali, Mozambique, Nigeria, Rwanda, and Tanzania) out of the eight covered by the country studies. The perception survey was based on responses by 200 government officials, donor representatives and non-governmental organizations (NGOs) in the six countries, who were asked questions about the relevance, performance and partnerships of AfDB and IFAD, including aspects such as their role in policy dialogue, promotion of innovations, provision of technical assistance, support by country offices and attention to gender mainstreaming.

Quality-at-entry review

The objective of the quality-at-entry review was to assess the extent to which lessons from past evaluations and recent reform initiatives (e.g., in terms of better quality assurance systems, supervision approaches, knowledge management) were addressed in recently designed country strategies and operations. This review enabled the evaluators to assess whether AfDB and IFAD are learning effectively from past experience.

The analysis consisted of a review of new results-based IFAD country strategic opportunities programmes (COSOPs), AfDB country strategy papers (CSPs) and a selection of ARD programmes and projects approved since 2005. The sample comprised all available country strategies and two or three recent ARD projects of each organization in the eight countries covered during the country work phase including Burkina Faso and Kenya. So, a total of ten countries were covered in the quality-at-entry review.

The quality-at-entry of the country strategies and projects was assessed against indicators such as targeting of beneficiaries, participation of stakeholders, knowledge management, results-based management, sustainability provisions and risk management, which are some of the main lessons and concerns flagged in past evaluations.

Methods

The following evaluation criteria were applied to assess project results: relevance, effectiveness, efficiency, rural poverty impact, sustainability, innovations, replication and scaling up, and partner performance including lending agency (AfDB and IFAD) and government performance. The criteria were rated on the standard six-point scale: 1 – highly unsatisfactory; 2 – unsatisfactory; 3 – moderately unsatisfactory; 4 – moderately satisfactory; 5 – satisfactory; 6 – highly satisfactory.

In terms of assessing country strategy performance, the joint evaluation focused on assessing four dimensions: previous relevance of country strategies, policy dialogue, aid coordination and harmonization, and the choice of development instruments deployed to achieve the objectives.

The general absence or low quality of baseline data and monitoring and evaluation (M&E) systems at the project level made the work of the independent evaluators harder. During the independent evaluations that formed the basis for the meta-evaluation, the teams in IFAD and AfDB relied on assessment of performance and impact through triangulation, for example by capturing the views of governments and beneficiaries and by conducting sample surveys in the projects being reviewed.

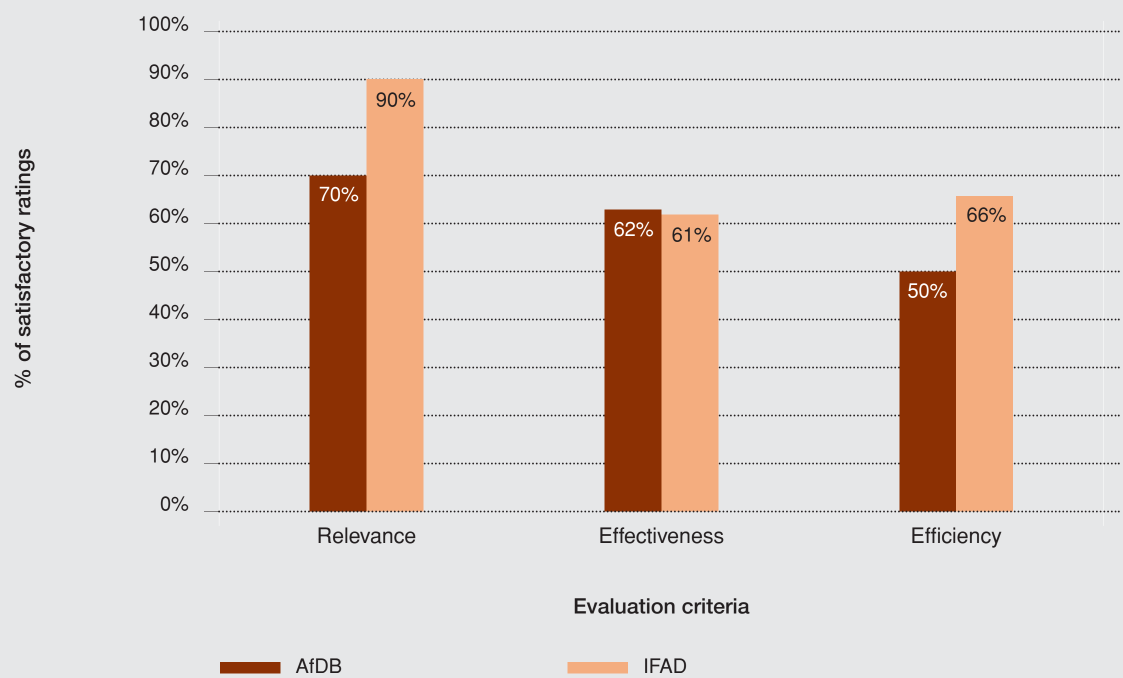
Project performance

Broadly speaking, the projects analyzed in the meta-evaluation have the overall goal of contributing to poverty alleviation, improving food security, and providing alternative sources of employment and income for poor people. Many projects have similar objectives of enhancing agricultural and rural sector production and the productive capacity of smallholders, protecting and managing the environment and natural resources base, promoting grass-roots institutions and enhancing local governance; as well as improving access to basic consumer goods, safe water supplies, and health facilities. The most common project components include: (i) agricultural development, including research and extension, (ii) rural finance and rural enterprise development, (iii) development of small scale infrastructure, including irrigation and rural roads; (iv) local and institutional capacity building; and (v) project management.

The evaluation found that 90 per cent of the IFAD-funded projects assessed were moderately satisfactory or better in terms of relevance, compared with 70 per cent of AfDB projects. In terms of effectiveness, around 60 per cent of the operations evaluated in each organization were considered to be moderately satisfactory or better, but a high proportion were rated moderately unsatisfactory. In terms of efficiency, 50 per cent of AfDB projects and 66 per cent of IFAD projects assessed were moderately satisfactory or better.

The overarching criterion of project performance – a composite of relevance, effectiveness and efficiency – shows better performance in IFAD operations compared with those of AfDB: 72 per cent of IFAD-funded projects were moderately satisfactory or better, compared with 60 per cent of AfDB-funded projects. This is a result of the higher relevance and efficiency ratings of operations funded by IFAD. See figure 5 for a graphical illustration of project performance by the aforementioned evaluation criteria.

Figure 5 Project relevance, effectiveness and efficiency in IFAD and AfDB



Source: Meta-evaluation (2008)

Relevance

In terms of relevance, good attention was devoted to ensuring the alignment of projects with national ARD strategies, the needs of the rural poor and the strategies of AfDB and IFAD. But ambitious objectives, limitations in design logic, multiple components and institutional arrangements were factors that limited relevance in some cases: for example the IFAD-funded Rural Micro-Enterprise Development Programme in Nigeria suffered long delays in loan effectiveness as a result of challenges associated with its unclear institutional arrangements. Project design quality was determined by the design process practiced by the lending agencies and the resources committed to it. Although during project design, importance was usually given to interaction with government and in-house technical review, inadequate analysis of country capacity, sector context and lessons learned from former experience were mentioned in about half of the cases reviewed both for AfDB and IFAD as causes for design problems. Although not evident from the evaluation report sample, consultations with operations brought forward limited involvement of beneficiaries and other partners, and insufficient quality assurance mechanisms as other frequent causes for poor quality-at-entry.[33] At the origin of these problems laid the lack of resources to invest in country economic and sector analysis, stakeholder consultations, technical expertise, and partnership development.

Often multiple-component projects addressing several dimensions of poverty were found to pose challenges in terms of implementation and coordination among the implementing agencies and other stakeholders, and to limit effectiveness. However, sometimes AfDB and IFAD address the complexity of projects with multiple components by financing projects that treat sub-sectors sequentially. One example is IFAD's long-term participation in The Ghana Roots and Tubers Programme, which contributed mainly to improving smallholder productivity but gave inadequate attention to processing and marketing; in spite of good results in terms of household food security, the programme could have led to greater incomes and better market access for producers and buyers. As a result, IFAD and the Government of Ghana funded an additional operation that emphasized access to markets. This sequencing of interventions was rational in that it created the production surplus first, followed by more concerted efforts in undertaking processing and marketing. For AfDB, the two arguments for multiple component projects are the essential complementarity of the components and secondly, the capacity of the beneficiaries, governments, and project implementation teams to sustainably manage the interventions. Yet, management capacity is often the binding constraint.

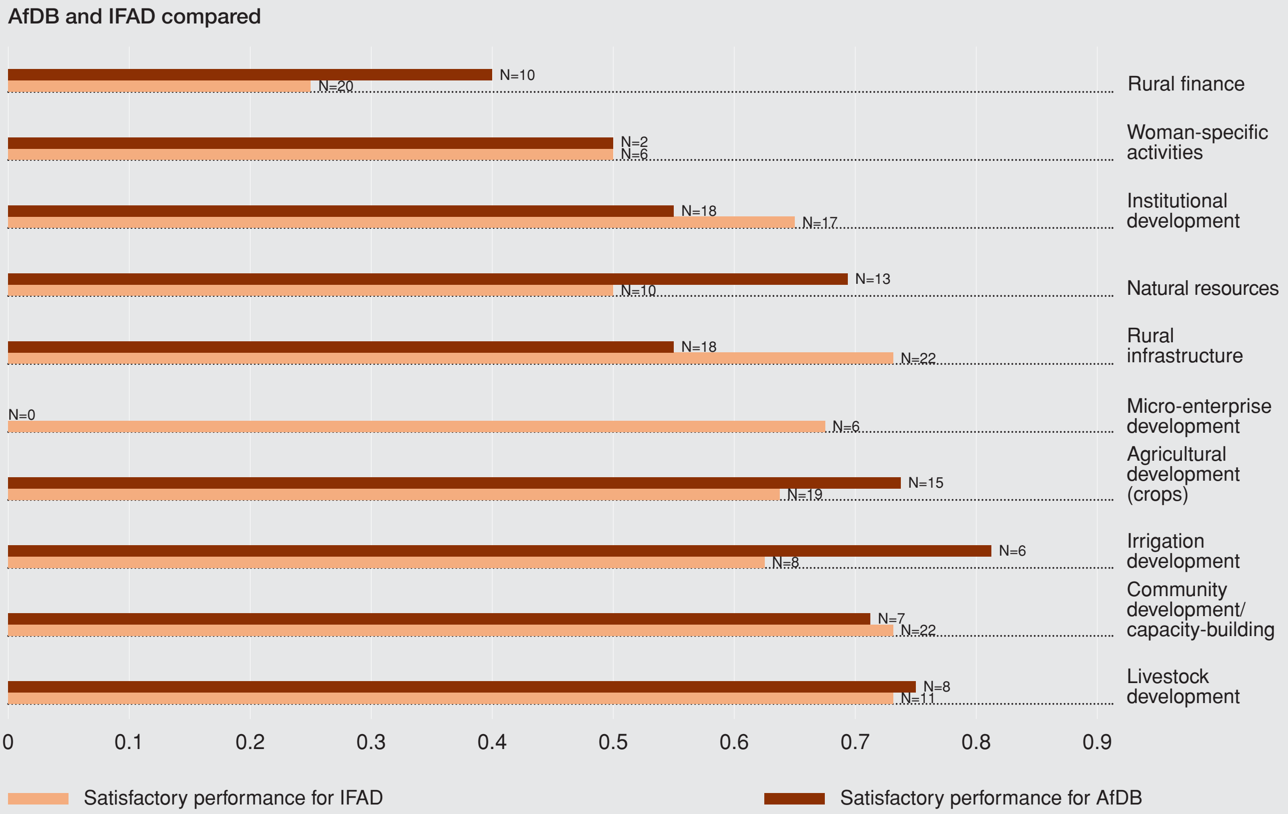
Effectiveness

The evaluation analysis of project effectiveness by component and sub-sectors (see figure 6) found livestock components to be the most successful, followed by community development and capacity-building for the rural poor and their organizations, and irrigation development. A common element in the success of these components was the attention devoted to promoting participatory processes for the management of activities. The least successful components were those related to rural finance and women-specific activities (which is considered a proxy for gender activities in the two institutions), followed by natural resources management and the environment more so in IFAD. This was partly because rural finance services did not always benefit the neediest as a result of limited institutional outreach capabilities in rural areas and because of high transaction costs with dispersed populations for whom innovative financial products have not been fully developed. In April 2009, IFAD adopted a new rural finance policy with a view to providing better guidance on the formulation and implementation of rural finance activities.

Other factors affecting effectiveness included the extent to which prior conditions of loan effectiveness were fulfilled, the performance of technical assistance and other service providers, and the presence or absence of complementary projects, programmes and policies. Additional factors to be mentioned are the availability of markets and marketing infrastructure in production based projects, administrative restructuring, political stability and the security of project facilities. Less frequently, exogenous factors played a part, for example, drought, flood, landslides and even spontaneous out-migration of project beneficiaries. Finally, effectiveness was also associated with high quality project supervision and implementation support, country presence and good borrower performance.

33/ The two organizations have introduced in the past few years more systematic and rigorous quality-at-entry assurance mechanisms and systems.

Figure 6 Satisfactory effectiveness of components



Source: Meta-evaluation (2008)

As mentioned before, past performance in promoting gender equality and women's development was unsatisfactory and well below expectation. With regard to gender activities and those specific to women, it was found that only eight of the 55 projects examined included objectives, activities and resources to support the advancement of women and that only four projects showed a positive impact on women's empowerment, incomes and nutritional status. Ten additional IFAD-funded projects were identified that had at least one component with a substantial focus on women in terms of components involving food processing equipment, sanitation and health, rural water supply and household food security. Of these components, half had a measurable effect on the welfare of women. Box 4 illustrates what can be done when there is consistent commitment to gender mainstreaming. There are several reasons for limited performance in promoting gender equality and women's empowerment, including the lack of adequate gender analysis in country strategy formulation and project design, limited attention by government executing agencies, and weak monitoring and evaluation systems to track performance in this area.

At AfDB, an OPEV desk review of gender mainstreaming in AfDB-funded ARD projects undertaken in 2008 found that some progress had been made, particularly at the level of institutional policies in the form of a gender policy and plan of action adapted to gender issues in Africa; yet, the gender-related components of projects were still small-scale, mainly women oriented, and often poorly designed. The performance in meeting gender equality objectives [was] more directly linked to (i) overall project performance, (ii) the presence of specific women-favouring actions, (iii) careful gender analysis/needs assessment, (iv) use of participatory processes and (v) involvement of gender experts, or presence of gender expertise in project staff. Impact on women's livelihoods [was] highest in projects targeting women exclusively (though evidence is thin), and those exhibiting a larger number of the desired design features. At institutional level, performance in meeting gender equality objectives [was] believed to be mostly driven by leadership commitment; financial resources; human resource capacity, and operations support tools. Since 2008, AfDB has been addressing gender equality with new efforts through the establishment of a unit for gender, climate change and sustainable development and the preparation of an updated gender plan of action.

The joint evaluation team found a similar situation in terms of gender mainstreaming in other international agencies working on ARD, which suggests a general limitation to adopt an effective gender approach to ARD; one of the reasons is borrower performance. In-country capacity on gender is often limited; demand from borrowers for gender inputs from AfDB and IFAD is also minimal. The country visits revealed that government policies and strategies for gender mainstreaming varied from country to country, which suggests that it may be borrowers who need to improve their performance on gender issues and that agencies should concentrate on their normal activities in gender mainstreaming and develop greater outreach to country stakeholders.

IFAD and AfDB have taken the issue on board through updated gender action plans, working groups, networks, high-level management leadership, central support units and staff training.[34] In IFAD, OE is currently undertaking a corporate level evaluation on gender equity and women's empowerment, which should reveal further insights and lessons on the topic.

Efficiency

With regard to efficiency, there is room for improvement in the operations of both organizations, given that 66 per cent of IFAD operations are moderately satisfactory or better as compared to 50 per cent at the AfDB. Common challenges include implementation time overruns, delays in staff deployments and rapid turnover of project management personnel, wide geographic coverage, multiple components, and lack of timely allocation of counterpart funds. The evaluation found, however, that promotion of participatory methods and community-driven development led to lower costs and better quality in terms of infrastructure development, such as in Nigeria, compared with more traditional methods of infrastructure development used by contractors.

Box 4 Gender in agriculture and rural development in Mozambique

Gender issues are well addressed in Mozambique's policies. The Action Plan for the Eradication of Absolute Poverty (PARPA), the rural development strategy and sub-sector strategies such as the National Agricultural Extension Programme and the National Agricultural Development Strategy (PROAGRI) all give emphasis to gender issues; in PROAGRI, a special gender unit was created at the central level. The problem is the practical implementation of the intentions. In implementing PARPA, gender approaches have focused on access to education, healthcare and potable water. Gender issues in agriculture seem to be complex, even though women constitute the major part of the agriculture sector. Public extension officers interact with men and women, individually or through groups of farmers, but there is little evidence that gender issues have been pursued diligently in the context of extension.

There are examples from IFAD and AfDB of interventions being designed to be pro-women. The agro-processing extension programme (2000–2006) consisted of field demonstrations and training for farmers in improved processing of cassava and sweet potato and vaccinations against Newcastle disease in poultry: women were promoted as vaccinators, agents and beneficiaries. IFAD ensured that the unified extension system under PROAGRI I (1999–2006) contributed to the dissemination of technologies useful to men and women farmers. Other examples of gender issues being taken into account by IFAD and AfDB include the comprehensive fisheries programmes in Sofala and Nampula and Cabo-Delgado: this included development of roads and market linkages in support of women, who are powerful in rural and provincial trade, and access to potable water for fishing communities. Combining different components in a project, for example improving irrigation, extension, credit and farmers' organizations, was also a successful modality for promoting gender issues because women were able to participate to a greater extent.

Source: Country Synthesis Report

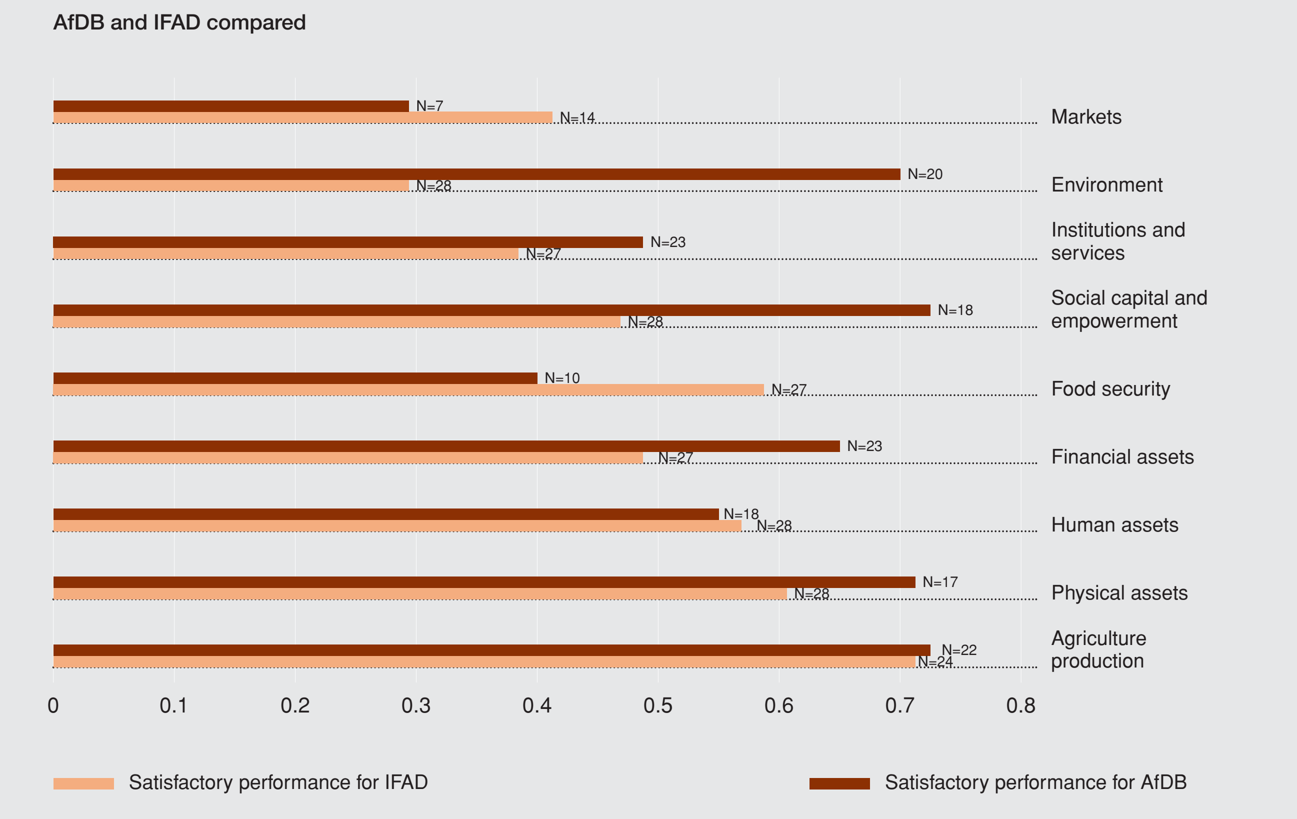
34/ Discussion with AfDB and IFAD gender focal points, 29 May 2009.

Poverty impact

In AfDB and IFAD, 55 per cent of operations have a moderately satisfactory or better impact on poverty. The evaluation found that impact was good in areas such as agriculture production and development of physical assets, but less positive in promoting access to markets, improving formal institutions such as research institutes and government agencies and enhancing natural resource management (see figure 7). One reason for the lack of impact in these areas is that project implementers and supervision often give more attention to achieving physical and financial output targets than to ensuring sustained improvements in project impact, such as farmers' incomes, rural livelihoods and food security as the ultimate development objectives.

Predictably, when projects were notably well designed with respect to participation and self-help and social capital formation, and accurate diagnoses of the needs of the rural poor were coupled with effective targeting, these determinants did help to increase the likelihood that a project would be rated satisfactory for poverty impact more often than not. But the strongest associations with satisfactory rural poverty impact were found in the realism and internal logic of a project and its alignment and congruence with country policy. What all this means is that it is important to get the logic of a project right, to be sure it is going in the same direction as the government and to be sure that it is well focussed on the poor and their particular circumstances.

Figure 7 Satisfactory impact in rural poverty impact domains



The quality-at-entry review showed that AfDB and IFAD are redressing areas where sub-sector performance is weak. IFAD introduced new environmental and social assessment guidelines in 2009 and is planning to develop a policy on the topic in 2010, which together are measures that can strengthen performance in this important area for ARD in the future. Recent country strategies and operations in both organizations are given more emphasis to commodity value chain development, to promoting input and output markets and to the commercialization of small farmers, for example in Ghana and Mozambique. AfDB has improved its focus on poverty and the selectivity of interventions.

Innovation

IFAD was found to pay more attention than AfDB to promoting pro-poor innovations. Examples of successful innovations at the grass-roots level include: (i) IFAD's grant-funded support for the International Institute for Tropical Agriculture in Nigeria, which has contributed to the development of pest-resistant, high-yield cassava varieties that have improved rural incomes; (ii) the promotion of small-scale participatory irrigation systems in the United Republic of Tanzania; and (iii) public-private partnership in the development of oil palm in Uganda.

OE evaluations have also identified areas that need attention to enhance the identification and piloting of innovations in IFAD operations. These include the need for incentives and opportunities for staff to promote innovations in ARD, greater participation by communities in project design and implementation, low-cost innovative approaches and larger budget allocations for seeking innovations that can be piloted in IFAD operations.

IFAD's ability to ensure the replication and scaling up of successful innovations was constrained in the past by an operating model that did not devote adequate attention and resources to critical elements such as partnerships, knowledge management and policy dialogue. The lack of country presence and the fact that, until recently, IFAD was obliged – according to the Agreement Establishing the Fund – to contract all project supervision to cooperating institutions are two important factors that limited IFAD's capabilities to promote the replication and scaling up of successful innovations in the past. The Action Plan to Improve IFAD's Development Effectiveness was approved by the Board in December 2006 with a view to introducing a new operating model to redress shortcomings. This includes strategies for knowledge management and innovation, the undertaking of direct supervision and implementation support, and expanded country presence. This was followed by a new approach to partnership, developed as part of the Eighth Replenishment consultations in 2008. The forthcoming OE evaluation on innovations will provide a further opportunity to discuss issues related to the promotion of innovation, replication and scaling up.

Sustainability

The area of greatest concern is sustainability. Less than half of the AfDB and IFAD projects evaluated were found to be moderately satisfactory or better in this critical area; the performance of IFAD's operations was marginally better than AfDB's (see table 3). Among other issues, low sustainability was attributed to unresolved land tenure issues, lack of ownership, unclear responsibilities for maintenance of project facilities (especially infrastructure), inadequate transfer of technical skills to beneficiaries, fragility of grass-roots institutions, inadequate authority of local management units, and lack of post-project maintenance funds. The sustainability of World Bank operations in ARD in Africa is similar to that of IFAD. In fact, the Fund's global performance in sustainability has improved in recent years (see the 2008 ARRI), but it remains an area that requires further attention not only in Africa but also in other geographic regions covered by IFAD operations.

The quality-at-entry review showed that project sustainability is treated more systematically in recent country strategies and project design documents, but inadequate appreciation of the changing country context is often evident. More attention needs to be given to defining clear exit strategies: the common assumption is that local ownership, beneficiaries' participation in projects and partnerships with domestic stakeholders are essential to ensuring sustainability. The Rwanda COSOP indicates that sustainability will be built by ensuring that projects are integrated into institutional frameworks and that assistance is directed primarily to exiting from national and local structures, which must build up their capacity and autonomy. In Morocco, strong participatory approaches have promoted sustainability – but sustainability also depends on technical and financial support from government agencies, which is not always available. In The Sudan, the limited budget allocation for meeting recurrent costs for government services was an obstacle to the financial sustainability of projects.

The evaluation associated the lack of economic viability[35] observed in many projects with the absence of market and profitability analyses for private actors in project design and management, which was expected to have changed in recent projects. With governments and community-based organizations, the private sector has a role in ensuring the sustainability of activities entrusted to it. Increased market analysis in projects is needed to create an understanding of the likely role of private-sector actors in sustaining activities or investments and the incentives that might be needed to alter behaviour.

In IFAD and the AfDB, the issues such as country ownership and risk management that determine sustainability have been recognized. For IFAD, its new *Guidelines for Design and Quality Enhancement* (2008) and the paper on IFAD's approach to promoting sustainability,[36] developed also in 2008 based on a recommendation on the topic contained in the 2007 ARRI, address many of the concerns. In the Bank, the newly generated Results and Quality Assurance Department (ORQR) took on quality-at-entry as one of its main tasks and new guidelines were issued. The need for rigorous adherence to the guidelines during design and implementation must be emphasized.

Country programme performance

Relevance of country strategies

The relevance of country strategies in AfDB and IFAD was lower than that of their projects; AfDB performance was slightly better than IFAD's. In terms of relevance, 53 per cent of AfDB's country strategies were assessed as moderately satisfactory or better, compared with 42 per cent of IFAD's. The significant difference in relevance between projects and country strategies can be considered as a macro-micro paradox that needs attention if the two organizations are to make a serious contribution in reducing poverty in Africa.

The macro-micro paradox is partly a result of the fact that in the past IFAD and AfDB funded projects without sufficient attention to synergies between operations and between projects and non-lending activities, and that country strategies were often developed without sufficient participation by the partner country. Results-based COSOPs were introduced at IFAD in September 2006 with a view to ensuring greater coherence and relevance in country programmes, which would be developed in consultation with and owned by the partner country. Similarly, a new generation of results-based country strategy papers at the AfDB has been concerned with more interaction with a variety of country partners and their full buy-in into the Bank's country programmes.

Policy dialogue

Policy dialogue on ARD at the country level was generally found to be inadequate: it was rated moderately satisfactory or better in no more than ten cases out of the twenty-one country programme/assistance evaluations reviewed in either IFAD or AfDB, though there are good examples of policy dialogue at the project level, for example through IFAD-supported activities in rural finance and livestock development in Mozambique. This is a result of limited analysis and insufficient attention to the issue in the past, weak performance of M&E systems at the project level and lack of systematic attention to knowledge management. Improvements in recent years have resulted from the allocation of more resources and the establishment of country presence. Some examples of good practice to promote policy dialogue were evident from the country visits. For example, in the context of IFAD operations, a policy dialogue unit has been established with the responsibility for knowledge development and sharing and disseminating information, feeding project-related information into regional knowledge networks.

Aid coordination and harmonization

In only a few past operations was performance in terms of donor coordination and harmonization, rated moderately satisfactory or better. At IFAD, the picture is changing and a recent study by OECD (2008) shows that IFAD performance is rated highly across most indicators (although unfortunately the data is not disaggregated for Africa). AfDB's results in this area are more mixed. Having said that, IFAD and AfDB are working to participate in the development of joint country assistance strategies and engage in SWAps, especially in Eastern and Southern Africa. Moreover, in Mozambique, AfDB's M&E framework is based on the government's performance assessment framework for the poverty reduction strategy paper (PRSP). Partnership with governments has been generally satisfactory: AfDB and IFAD have good relations and communications with the main government agencies involved in ARD. But partnerships with other development organizations, particularly United Nations agencies and IFIs, have not been systematic. Issues of aid coordination and harmonization are further discussed in chapter 5.

35/ Economic viability is one of the indicators of sustainability.
36/ See http://www.ifad.org/gbdocs/repl/8/iii/e/REPL-VIII-3-R-3.pdf

Choice of development instruments

The evaluation found limited use at the country level of grant and lending instruments for policy and knowledge development beyond traditional project investments. Grant activities have not been systematically linked to programme and project development in the past, particularly at IFAD. The Fund has developed a new grants policy, which was approved by the Board in December 2009 with a view to improving the links between grant-funded and loan-funded activities. The AfDB more often used grant facilities in its African Development Fund operations for the development of pipeline projects, but funds are seen as inadequate for the tasks at hand.

The quality-at-entry review showed that a clearer country focus has emerged in both organizations, with commendably stronger commitment to ensuring an integration of lending and non-lending activities. IFAD's new operating model comprises results-based country programming jointly owned with country stakeholders, enhanced country presence, direct supervision, improved quality enhancement and assurance mechanisms, and a knowledge management strategy. The Strategic Framework 2007–2011 identifies country programmes as IFAD's main deliverable – a clear move away from a project focus. But the enhanced country focus is constrained in some divisions responsible for IFAD operations in Africa by slow development of country presence. AfDB has taken a different route: it has divided operations between a vice-presidency for country and regional programmes and policy and two sector vice-presidencies, and is decentralizing staff to country offices. Some of these structural changes, which include delegation of authority to country offices, are taking longer than expected and have created some significant discontinuities that need to be managed. AfDB has also instituted a number of business process changes such as far reaching reforms in human resource management and a new review process for operations consisting of a high-level Operations Committee, country teams, and a dedicated Quality Assurance Department to improve project design and supervision. The Bank has further strengthened its managerial and staff capacity primarily in operations and provided more direct operations support to expand capacity to deliver programmes.

The quality-at-entry review also found a significant amount of change that would increase the country focus. Recent programmes and operations pay more attention to analytical work, though it is still not enough. AfDB has devoted resources to analysis of macro-level and national-level issues; IFAD has concentrated on ARD matters and rural poverty. AfDB has projects addressing government capacity constraints, though few in the ARD sector; there have been few IFAD-funded projects or measures to address issues identified in its contextual analyses. IFAD's knowledge management strategy is being implemented through actions to incorporate knowledge management into business processes, with uneven progress in the different divisions. Moreover, 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 AfDB, the Office of the Chief Economist leads knowledge management and a task force has produced a knowledge-management strategy; little has changed so far, however, with regard to country operations.

In sum, there is significant work in IFAD and AfDB to improve country programming, with a focus on country strategies. This report questions whether country programming is now the priority for resource allocation. The policy and knowledge deficit in ARD is felt most at the country level; current efforts by IFAD and AfDB to improve stand-alone country strategies would be better directed to supporting knowledge to underpin improved country policies, whether it is derived from innovative projects or from analytical work. For AfDB, the enhanced country programme is constrained by slow decentralization of ARD technical staff and slow delegation of authority to country and regional teams; for IFAD, it is constrained by limited out-posting of country programme managers in some divisions and the process for integrating country presence staff more widely into the overall IFAD work force.

Lending agency and borrower performance

A statistical analysis of the performance of IFAD and AfDB operations by the joint evaluation revealed that lending agency (IFAD and AfDB) and government performance were the most significant determinants of project and country programme performance in ARD. The evaluation also found that the recent reforms in the two organizations had primarily aimed to improve their own development effectiveness, rather than tackle the weaknesses in government performance (see following paragraphs). There remains a need to address the critical issue of government performance and capacity, which is fundamental for achieving successful development results.

IFAD and AfDB performance

Lending agency performance was mainly measured against their contribution to project design, supervision and implementation support (including contribution to resolving bottlenecks and making the necessary adjustments to design during execution) and non-lending activities – knowledge management, partnership building and policy dialogue. IFAD and AfDB performance was found moderately satisfactory or better only in 40 per cent (IFAD) and 48 per cent (Bank) of projects reviewed in the joint evaluation. This implies that lending agency performance was moderately satisfactory or better in less than one out of every two projects financed. In other words, the performance of projects funded by the two organizations was moderately unsatisfactory or worse in one out of two cases.

A number of reasons lie behind the weak performance found in past years. For example, design weaknesses were attributed to the two lending agencies in 70 per cent of the past projects reviewed. The reasons for this included inadequate analysis of the context and risks as well as ambitious design objectives. Past country strategies and design documents suffered from limitations such as: (i) lack of emphasis on promoting gender equality; (ii) lack of country presence; (iii) ineffective supervision – in the case of IFAD supervision was outsourced to cooperating institutions until very recently; (iv) unsystematic internal quality enhancement and assurance methods; (v) attention largely limited to physical and financial outputs in the results chain rather than impact, including weak M&E, as well as an underdeveloped quality assurance system for self evaluation products during implementation in IFAD; and (vi) lack of attention to rigorous portfolio management such as termination of non-performing projects before the closing date. Performance was weak in non-lending activities, largely because of limited attention, few resources allocated, and the absence of objectives and indicator to monitor progress in the delivery of such activities.

The evaluation does, however, confirm that change is under way in IFAD and AfDB: there are many 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 more closely aligned with country policy priorities, and improvements are evident in context analysis, lesson learning, focus on poverty outcomes, emphasis on policy dialogue and management for results. Project design is being enhanced: IFAD is focusing on improved targeting and on building knowledge management and policy engagement into project components. It has also embarked on direct supervision and implementation support of projects, which has proven to be more effective than supervision through cooperating institutions, yet this has increased burden of staff both at headquarters and in the field, where country presence exists. These improvements in IFAD noted by the joint evaluation are consistent with the results in recent ARRIs, which document improvements in IFAD's performance, even though sustainability is an area of concern in Africa. But this only reinforces the notion that the change initiatives were largely intended to improve IFAD's own performance and did not address inherent weaknesses in government performance. The same can be said of the AfDB's reform agenda.

AfDB has improved its focus on poverty and the selectivity of its interventions; IFAD and AfDB have introduced new quality assurance and enhancement systems. Both have gradually expanded their country presence, even though the pace of decentralisation is relatively slow in IFAD. This is partly due to the need to adjust internal processes that would allow the organization to operate in a decentralised manner, rather than entirely out of headquarters. AfDB and IFAD are aligning operations with country policies, increasing stakeholder participation and building up M&E systems; more work is required in the latter area, however.

There is still room for improvement in critical issues such as risk analysis and management, scaling up of pro-poor innovations, sustainability and exit strategies, analysis of policy context and processes, capacities and skills for policy engagement and responsiveness to the changing operational context.

In continuation to the above, the 2009 Annual Report on Result and Impact of IFAD Operations (ARRI) found relatively weaker performance in sub-Saharan Africa, as compared to the other geographic regions covered by IFAD operations. This may be partly explained by the challenging context in terms of weak ARD institutional capabilities and policies among countries across the continent, as compared to other regions.

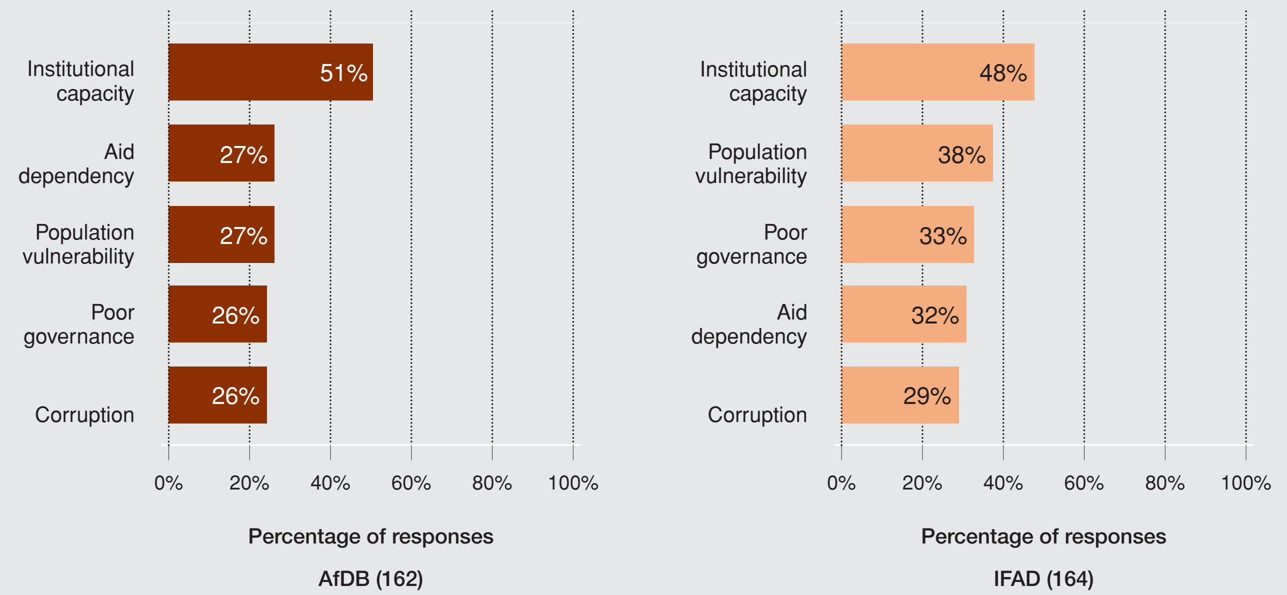
The ARRI also underlines that, by and large, IFAD has pursued something of a "one size fits all" approach, in terms of the allocation of administrative resources for country strategy formulation, project design, and supervision and implementation support, irrespective of the country's institutional and policy contexts. The picture at the AfDB is broadly similar. This limits the amount of comprehensive analytic work in ARD conducted by AfDB and IFAD, particularly in fragile states and other low income countries. Such analytic work is essential to underpin country strategy formulation, and undertaking of supervision and implementation support activities. It is also important for IFAD and AfDB's effective engagement in non-lending activities including policy dialogue, knowledge management and partnership building. In view of the foregoing, there are valid reasons to pursue a differentiated approach in the allocation of resources (including staff) to the formulation of country strategies and projects, as well as supervision and implementation support, in countries with complex and difficult contexts (e.g., fragile states and countries with low CPIA scores).

Borrower performance

The performance of governments or borrowers is one of the most critical factors for achieving effectiveness and combating poverty. Their contributions and inputs are fundamental in country strategy formulation and project and programme design and execution, for example in terms of commitment and resource allocation to ARD, project management capabilities, and ability to coordinate actions among stakeholders. Moreover, ultimately governments are primarily responsible for project execution and providing the required policy and institutional environment to achieve results on the ground.

The joint evaluation assessed government performance by reviewing the quality of project management, including M&E. It found government performance to be moderately satisfactory or better in only 30 per cent of the projects reviewed. Only one evaluation in four considered government commitment and ownership to be particularly strong and an important factor in project effectiveness and sustainability. The borrower was criticized in 45 per cent of the projects for not providing an enabling political,

Figure 8 Factors limiting government performance



Source: Joint evaluation perception survey. Out of the 200 individuals surveyed, 162 and 164 expressed their perceptions about AfDB and IFAD operations, respectively.

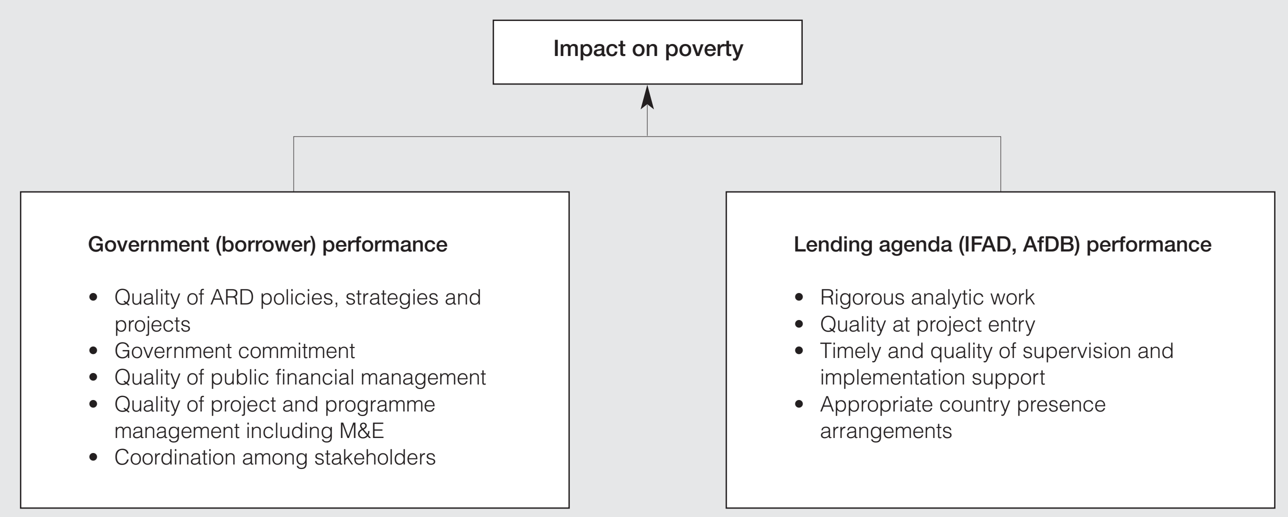
legal or institutional environment; in 38 per cent of cases the evaluation considered that borrowers had not fulfilled all agreements made during project design. Explanations of weak borrower performance include: (i) inadequacies in the staffing of project management units, and high staff turnover; (ii) inadequate training and support for project staff in participatory planning, procurement procedures and financial management; (iii) slow staff recruitment; (iv) weak institutional support; (v) inexperience with lenders procedures; and (vi) ineffectiveness of M&E systems as instruments of management.

The joint evaluation gained further insights into government performance during the country visits. Government capacity was generally seen to be limited, especially at decentralized levels of government. Sector strategies and policies were frequently not clear or not useful in terms of identifying priorities or sequences. The political will to support ARD was found to be weak in some cases; a government's failure to coordinate donor-assisted projects can lead to misunderstandings. The perception survey undertaken during the joint evaluation identified institutional capacity as the leading constraint to government performance (see figure 8). Combined with poor governance, corruption and aid dependence, which is a consequence of failure to raise adequate revenues, the nature of the major performance constraints is clear and overwhelming.

Limited borrower performance may help to explain why it has been so difficult to produce beneficial outcomes from gender mainstreaming. In many countries, weak attention was devoted to promoting gender equity and women's development, with inadequate policies and implementation. The perception survey found that absence of borrower demand for a gender perspective was one of the constraints on effective operational gender mainstreaming. In the United Republic of Tanzania, the joint evaluation found that local governments charged with implementing the agriculture SWAp were not receptive to such ideas, and that Ministry of Agriculture and extension agencies have been slow to take on gender mainstreaming.

IFAD and AfDB have given due attention to government performance in ARD, and a few projects are devoted to this issue. But there are few efforts to improve borrower performance that match the processes in place to address lender performance. This is not an issue affecting AfDB and IFAD only: it affects all international agencies engaged in ARD. Overall, it is clear that much focused attention needs to be given towards building institutional capacity. Without this, there will be only minimal improvements in the performance of development interventions, even if lender performance improves.

Figure 9 Schematic illustration of aspects of lender and borrower performance



Benchmarking performance

Work has been done on benchmarking the performances of AfDB, IFAD and the World Bank in Africa. These organizations were chosen for the similarity of their approaches and the availability of data from independent evaluations. Data from AfDB and the World Bank relate to their operations in the agriculture sector only, which makes them comparable with the IFAD data. Table 3 illustrates the performance and impact of the AfDB, IFAD and World Bank operations.

IFAD's performance in the other three regions[37] where it operates is better than in the two sub-Saharan regions[38] (see 2009 ARRI). This finding is similar to findings for the World Bank, which also has operations in regions other than sub-Saharan Africa. In AfDB, the performance of agriculture projects compares well with less risky projects in the social sectors; they perform better than economic adjustment projects, but lag behind transport projects.

Table 3 shows that lending agency performance and sustainability were two areas of major concern in past operations. AfDB and IFAD continue to address these areas of weakness, but there is no room for complacency given the small number of past projects and country programmes that had satisfactory ratings for these criteria.[39]

Table 3 Aggregate project performance[40] and impact in Africa (per cent of projects assessed as moderately satisfactory or better)

	Project evaluations		
	IFAD	AfDB	World Bank
	Based on evaluations in 2003–2007		Based on evaluation of projects funded 1991–2006
Overall project performance	72	61	60
Relevance	90	70	
Effectiveness	61	62	
Efficiency	66	50	
Lending agency performance	41	48	
Poverty impact	54	55	
Sustainability	40	35	40

37/ Asia and the Pacific, Latin America and the Caribbean, the Near East and North Africa.
38/ East and South Africa and West and Central Africa.
39/ The characteristics and causes of lending agency performance are discussed in this chapter under the "IFAD and AfDB performance" section; sustainability issues are covered in this chapter under the relevant section.
40/ Project performance is calculated as an average of the scores given to relevance, effectiveness and efficiency.

The joint evaluation attempted to identify the main lessons from recent evaluations in ARD by the EU, the United Kingdom Department for International Development, FAO and the World Bank. These evaluations are consistent with the findings of the joint evaluation in that the performance of past interventions in ARD had been generally low; the area of deepest concern related to the sustainability of benefits. In general, ARD performs worse than the social sectors, and ARD performance in Africa is not as good as elsewhere.

As discussed before, some of the determinants of performance are common to AfDB and IFAD: weaknesses in project design, limited institutional capacity-building, lack of focus on agricultural productivity, environment and gender, weak borrower capacities and insufficient analytic work and risk assessment. All the evaluations acknowledge difficulties specific to the environment in which ARD projects are implemented in Africa, including lack of interest and commitment among partners and governments, physical and environmental constraints such as low soil fertility and weak transport infrastructure, and the negative effects of northern subsidies to African agriculture. The implementation of gender-sensitive policies by the agencies reviewed is on the whole weak.

The review by the World Bank's independent evaluation group of its assistance to agriculture in Africa recommended that the World Bank should: (i) focus on increasing agricultural productivity by establishing realistic goals for the expansion of irrigation and recognize the need to improve the productivity of rain-fed agricultural areas; (ii) increase and improve the quality of analytical work on agriculture; and (iii) establish benchmarks for measuring progress, for example by extending M&E to report on project activities in various agro-ecological zones and for different crops and farmer categories, including women.

Box 5 Assessing performance

- Past project performance (micro-level) has been moderately satisfactory; IFAD operations performed slightly better than AfDB's, especially in terms of relevance and efficiency; sustainability remains a serious challenge in the operations of both organizations, however.
- Country programme performance (macro-level) was found to be weak in both organizations, especially in terms of policy dialogue, knowledge management and partnership enhancement; work is under way to improve country strategy and programme formulation and implementation.
- There is therefore a micro-macro paradox, given that the performance at the country level has been inadequate in the past as compared to performance at the project level, even though important adjustments are being made to the two organizations operating models that go in the right direction and could lead to better performance at the macro level in the future.
- Benchmarking performance with other organizations working in ARD in Africa shows that the performance of other agencies is broadly the same as the Bank's and IFAD's performance
- Inadequate attention was devoted to promoting gender equality in past projects, and results are modest.
- Reasons for modest performance at the project level include certain project design aspects (in particular overly complex designs), unfavourable external sector, macro-economic and social conditions, and in particular management and implementation problems by lending agencies and borrowers.
- IFAD and AfDB have made useful reforms to redress the challenges in past operations such as project design, targeting, knowledge management and innovation.
- The evaluation found that the performance of lending agencies and especially of governments are two among the most critical factors underlying country programme and project performance.
- Recent reforms in the Bank and at IFAD have been mainly oriented towards enhancing their own development effectiveness, however, with little attention to improving borrower performance, which is weak and essential for poverty reduction.

A review of partnerships

5

Introduction

This chapter on partnerships reviews the performance of the past partnership between the AfDB and IFAD, and the two agencies' partnerships with the government and other private and public sector actors working in ARD in Africa. It examines the new partnerships environment and identifies good practices for partnerships. It identifies opportunities and challenges for developing the AfDB/IFAD partnership and partnerships with other actors in future. The chapter is based on the country studies implemented by the joint evaluation and several background papers on the topic. These included a benchmarking study that identified good partnership experiences and practices from other organizations, as well as a performance review of the IFAD/AfDB partnership.

The partnership between AfDB and IFAD in agriculture and rural development in Africa (1978-2008)

IFAD and AfDB have a 30-year relationship that has evolved with the international development agenda; it is set to continue in line with the "new paradigm for development" embodied in the MDGs and the Paris Declaration and the Accra Agenda for Action. In recent years the relationship has moved from collaboration at the operational level to the corporate and political level. The first cooperation agreement was signed in 1978. The agreement was input- and activity oriented, priority areas of cooperation were not identified and the agreement lacked explicit outcome or performance targets. The partnership experience of AfDB-IFAD has been largely confined to cofinancing operations, with AfDB playing (with limited success) a supervision role for several IFAD-initiated projects. Since 1978, 38 projects were cofinanced to a value of about US$900 million, representing close to one-10th of their cumulative investment in ARD in Africa. Of these, 12 are still ongoing. Two cofinanced operations are planned, but not yet off the ground in both agencies. There has been relatively little cooperation in the past in terms of policy dialogue, knowledge management and joint country programming, but more recently both organizations have sought opportunities to work together in these areas: IFAD and AfDB are, for example, participating in the first agriculture SWAp intervention in the United Republic of Tanzania and have contributed to the development of the joint assistance strategy in countries such as Ethiopia and Ghana.

Overall, the 30-year long partnership between AfDB and IFAD has been narrow in scope, limited in intensity, and has not performed well. Key issues identified as having hindered smooth cooperation in the past were underlying differences in management culture, operational modalities and internal procedures, including approaches to project design and implementation. Weak consultation and coordination between the agencies was also noted (see appendix 8). Until 2004, IFAD had a single liaison officer at AfDB headquarters, which to some extent facilitated communication and coordination. Since then, relations have been managed by a dedicated officer in IFAD and various staff in the agriculture department in AfDB. Supervision performance by AfDB was particularly unsatisfactory, as confirmed in the two corporate-level evaluations on supervision by OE between 2003 and 2005, leading IFAD to undertake its own supervision and to both agencies improving their individual capacity. This, in combination with other difficulties, led to a fundamental questioning of the merits of the 1978 partnership agreement.

To reorient the partnership, a new MoU was signed by IFAD and AfDB in 2008 containing a broad list of priority sectors and themes and providing a clear shift in focus to results and outcomes. New targets relate to joint CSPs and a new pipeline of cofinanced projects with plans for IFAD staff to move into AfDB offices. The initiative to reset the relationship, partly in recognition of these weaknesses, is still very recent. Yet, the evaluation found still limited evidence in the new MoU of: (i) recognition of context as key, with adaptation of approaches to changing context; (ii) clear understanding of incentives and conflicts on each side of the relationship; (iii) active management of assumptions and expectations underlying the partnership; (iv) an effective focus on results, including through reassignment of the stock of numerous other strategic partnerships; and (v) recognition of the amount of time and energy needed to make the partnership effective by moving forward on concrete measures.

In principle the new 2008 memorandum of understanding between IFAD and the AfDB opens the way to a more strategic approach to partnering, driven largely by a special initiative of the Presidents of the two organizations and the 2005 Paris Declaration on Aid Effectiveness. The joint evaluation itself is a manifestation of the commitment of the two organizations to find ways and means to strengthen their collaboration. But, despite the political will and expressed intentions, progress on the ground has so far been limited, as guidance to staff on how to select, develop and manage this partnership, as others, remains weak.

AfDB/IFAD cofinancing

The 38 cofinanced projects so far demonstrate the possibilities and limitations of cofinancing by IFAD and AfDB in ARD in Africa. Since 1978 AfDB and IFAD contributed US$472m and US$432m to cofinanced projects with a total value of US$1.77 billion (including other donors, governments and beneficiaries contributions). Thirteen out of 22 AfDB/IFAD cofinanced projects since 1990 have also received funds from other donors, somewhat down from 12 out of 16 before 1990. In fact, in both organizations only a relatively small proportion of all cofinanced projects in ARD in Africa were exclusively cofinanced between IFAD and AfDB, and for instance the World Bank International Development Association (IDA) was by far a more prominent partner.

AfDB had been responsible for providing supervision services for IFAD, including loan administration and procurement, in 13 of the 38 cofinanced projects. But these arrangements were discontinued in 2007 when IFAD started direct supervision of its projects. Supervision for IFAD in the other projects was mainly carried out by the World Bank or the United Nations Office for Project Services (UNOPS).

The AfDB/IFAD cofinanced projects are distributed across the continent, with North-Africa being somewhat under-represented: 20 projects are located in West and Central Africa, 14 in East and Southern Africa and 4 in North Africa, with 40, 52, and 8 per cent of combined IFAD/AfDB funds going to the respective regions. Since 1990 the countries with the highest concentration of cofinanced projects were Ghana (3, plus 1 pipeline), The Gambia (3), Guinea (3), United Republic of Tanzania (2) and Uganda (2).

After a slump of cofinanced activities in the 1990's, cofinancing by AfDB/IFAD picked up substantially in the 2000s. Fifteen of the 38 cofinanced projects were approved in the 2000s, compared to only 7 in the 1990s and 12 in the 1980s. The volume of cofinanced assistance by IFAD and AfDB quadrupled since 2000 (see figure 10). This indicates the renewed interest in cofinancing in the 2000s, as IFAD started its own supervision and the Bank resolved many of the problems of the 1990s in managing its portfolio. Other important factors were the temporary withdrawal of other donors from ARD and the new partnership environment that encouraged more cooperation. The trend also reflects the evolution of IFAD from a financing institution to a more full-fledged development organization. Over time IFAD gained more experience and became increasingly involved in designing and more recently in supervising the projects it finances.

The 12 ongoing and 2 newly planned projects range from more traditional area-based integrated rural development projects with multiple components (i.e. in Uganda) to ones that are focused on specific sub-sectors, such as rural finance, rural enterprises, or irrigation (i.e. in Ghana, Mozambique, Ethiopia or The Gambia). They also include a large sector SWAp in the United Republic of Tanzania.

The main rationale for cofinancing by the two agencies over the years remained the same: to leverage funds and generate more effective projects, particularly in small countries with relatively small budget allocations and to scale up successful activities. Cofinancing by the two organisations is regarded as a useful method for increasing the effectiveness of resources by broadening the scope of investment opportunities beyond those that are within the capacity of a single organization. In some countries, the new partnership environment encouraged cofinancing or parallel financing to contribute to larger ARD sector programmes (such as in the United Republic of Tanzania, and to a lesser extent in Rwanda and Ghana).

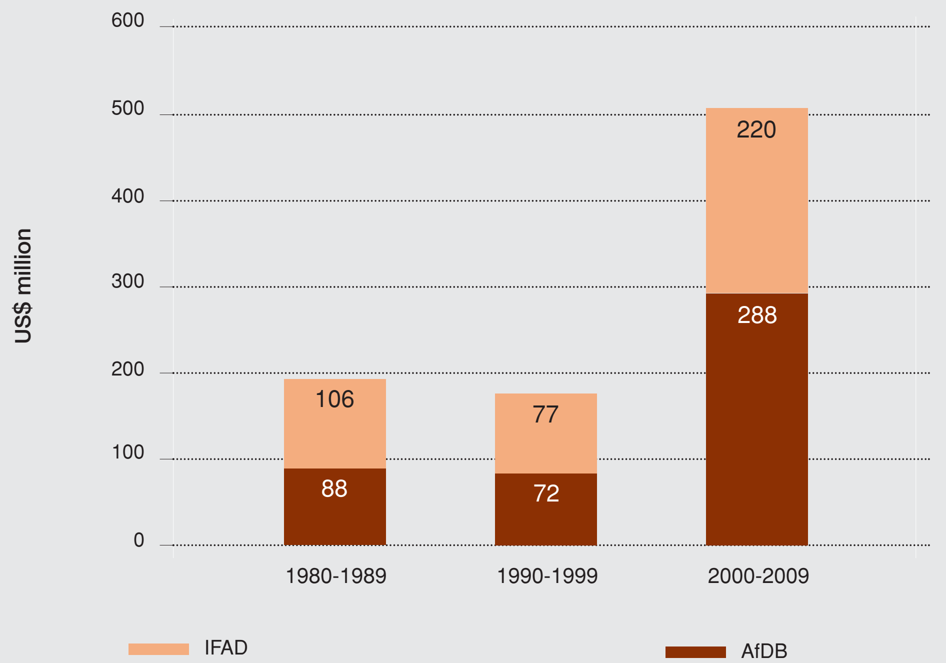
Overall, with a few notable exceptions (for instance in The Gambia), the evaluation found little evidence of joint design work, joint implementation arrangements, or jointly conducted ex-post review of cofinanced projects by AfDB and IFAD in the past. The large majority of these projects were initiated by IFAD, with design often sub-contracted to the FAO-Investment Centre or done jointly with other donors, in particular the World Bank (IDA). The AfDB came in mostly at a later stage, as a cofinancier usually augmenting the total project investment. In some cases, the AfDB took on the specific financing of certain project components, particularly in infrastructure, or for specific sub-regions in a country. In several cases, the two agencies cofinanced two to three different consecutive phases of the same or a similar project in a country. Sometimes joint appraisal missions took place, but often not. In several cases joint mid-term reviews were done. Few joint PCRs were found. Joint procurement was not possible in the past, due to different procurement requirements that have only recently been alleviated on the side of the Bank.[41]

No projects were truly jointly cofinanced in the sense that the funds of all donors finance a common list of goods and services in agreed-upon proportions (see definition of cofinancing, box 6). The common form was parallel cofinancing. While maintaining joint objectives, projects were usually divided into specific identifiable components and separately financed from IFAD and Bank resources, with different procurement policies and procedures. For the moment, this seems to be the preferred way of cofinancing, not only because of different procurement systems, but also because of difficulties in reconciling the two agencies' project and funding cycles.

The joint evaluation was not in a position to undertake a dedicated performance and impact assessment of the cofinanced projects as there were very few independent evaluation reports or PCRs available for the 24 cofinanced projects closed to date, which is a reflection of the limited attention to and quality of PCRs in the past. Only two co-financed projects could be reviewed in the meta-evaluation (see chapter 4), one of them in The Gambia eventually turning out as a success-story for long-time cofinancing commitments (see box 7). But it is highly likely that the performance of the closed projects cofinanced by IFAD and AfDB is very similar to the modest results of the projects analysed in the meta-evaluation, as most of them were designed in the 1980s and 1990s, the period covered by the meta-evaluation.[42] One indicator of performance is the time lag between loan approval by the Board and project effectiveness, which was the same for the cofinanced projects as for other projects in Africa financed by IFAD and AfDB. Similarly, the average duration of cofinanced projects between loan approval and completion of 8.5 years was not notably different from that of other projects.

In sum, cofinancing between IFAD and AfDB in Africa has been a mixed picture, with very different forms and intensities of cofinancing and joint arrangements, often involving other partners. Overall, IFAD seems to have been the 'driving force' in cofinancing, particularly with the design of projects, taking AfDB on board as a cofinancier only at a later stage. Some appraisals were done together. The AfDB/IFAD partnership worked well in some cases, but was lukewarm in many others. Future cofinancing has to include options beyond a narrow IFAD/AfDB cofinancing partnership, given the proliferation of donors and their priorities in the ARD sector in Africa.

Figure 10 IFAD-AfDB cofinanced projects: loan amount by decade



41/ The Bank was obliged to limit procurement only to member countries, inhibiting joint procurement. The regulation has now been relaxed with respect to financing through ADF.
42/ Most of the projects analysed in the meta-evaluation were designed in the 1990s; a few were designed in the early 2000s.

Box 6 Definition of cofinancing

The term 'cofinancing' refers to a financing arrangement whereby one or more sources of official or commercial funds (other than contributions or loans from the borrowing country) join in financing a project or programme.

In *parallel cofinancing*, the project is divided into specific, identifiable components, each of which is separately financed. Parallel financing is often used when cofinanciers stipulate different procurement policies and procedures. In such a case, the cofinanciers administer their financing themselves. For *joint cofinancing*, the funds of all donors finance a common list of goods and services required for the project in agreed upon proportions. This mode is suitable only when cofinanciers do not tie their assistance, or impose any special procurement restrictions.
This means that there are different models of cofinancing: with separate or common disbursement mechanisms; with or without a common pool of resources. Cofinancing may, but does not have to include common design and implementation, common conditionalities, and ex-post evaluation.

(Based on the Asian Development Bank Operations Manual)

Box 7 Rice production in The Gambia – an AfDB/IFAD partnership success

The development of lowland rice production in The Gambia is an example of a long-term, and ultimately successful partnership of IFAD and AfDB in a cofinancing arrangement. It ranges over more than 25 years, starting with the cofinancing of irrigation technologies in the early 1980s together with other donors (Netherlands and KfW) that ultimately proved to be ill-suited to the capabilities of the growers, most of whom were women.

A redesign of this early project took place from 1992 to 1995 which resulted in the Lowlands Agricultural Development Programme (LADEP), for which IFAD and AfDB shared the project costs equally. During the design phase the Bank and IFAD efficiently coordinated their activities. The Government supported, actively participated and owned the project at all stages of the project cycle, which contributed significantly to project success. Technical design included detailed studies to precede the project preparation. This led to an excellent project design. Flexibility in project design contributed positively to project implementation.

The Bank took over the implementation and supervision of the entire LADEP and efficiently implemented the programme at all stages. The cofinancing arrangements and cooperation agreement between IFAD and the Bank were explicit enough to enhance operational efficiency. The Bank conducted 14 field missions between 1997 and 2004, including the appraisal, launching and MTR missions, some of them jointly with IFAD. PCRs were done separately by IFAD and AfDB in 2005 and 2006, but came up with similar conclusions.

The implementation of LADEP attracted massive support, participation, commitment and ownership by the Government, local communities and beneficiaries. It was cost-effective, although evidence on impact was largely circumstantial as the project M&E never took off. LADEP was a successful project and the lessons learnt have been incorporated into the design of the Participatory Integrated Watershed Management Project (PIWAMP). The PIWAMP derived largely from the LADEP – its achievements, strengths and shortcomings, as indicated in the mid-term review of the LADEP (2002).

A joint appraisal mission by IFAD and AfDB took place in November 2003, after different project design studies and a high-level meeting in Tunis. The project became effective in 2005. The project is now jointly implemented and supervised by IFAD and AfDB. In this case the combined know-how, financing, and long-term commitment of both IFAD and AfDB in close partnership with the Government and the beneficiaries has been bearing good fruits.

Partnership with governments

Their partnership with governments in Africa is without doubt the most important one for IFAD and AfDB. The two agencies have developed strong relations with borrowing country governments, which find the two organizations to be reliable and trustworthy partners. This was the clear message from the country visits of the joint evaluation teams. Both agencies share the advantage that they are seen as neutral in their policy thinking and not involved in leveraging change though policy conditions imposed from outside. IFAD is seeking to capitalize on its distinctiveness from other IFIs as a United Nations agency "plus fund", using its legitimacy in conversations with governments and civil society. AfDB is perceived as a valued African voice due to its pre-dominantly African staff and its corporate membership structure.

The main instrument of collaboration with governments is still the investment project, but there has been some movement towards programmatic and portfolio approaches in both agencies. Results-based country strategies, based on the new platforms provided by PRSPs and other national development plans, now provide the central guiding approach for doing business. Greater attention has been devoted to non-lending activities to support the development of better policies and achieve deeper results on poverty. In a few cases, IFAD and AfDB are collaborating with governments through SWAps, which raises new operational and policy challenges. AfDB also contributes resources for ARD through budget support for governments, as in Rwanda (see box 8).
Yet, reflecting concerns over accountability for use of investment resources, both agencies still rely strongly on mechanisms and procedures in their projects not fully embedded in government systems, such as project management units (PMUs), specific procurement rules and special bank accounts, rather than on common procedures as envisaged in the Paris Declaration. This partly reflects the lack of quality government systems in ARD compared with other sectors, and the need for improved government performance (see chapter 4).

A major challenge to effective partnering with governments is that stakeholders such as farmers' organizations, the private sector and community-based organizations are not always sufficiently represented in country strategy formulation, programme design, policy formulation and project execution. This has allowed gaps in ownership which undermines the effectiveness of investment projects and other donor-funded interventions. Despite the original intentions, SWAps are generally confined to agriculture ministries and have concentrated attention on the use of central government resources while neglecting the needs of farmers' organizations and the private sector. Moreover, building political consensus on sector policy and strategy is often complicated by the involvement of many different ministries and government institutions, including decentralised agencies, local governments, and a multitude of other national and international actors, and in particular the private sector. Debates as to the appropriate mix of public and private investment continue, but little has been achieved in terms of improving the public–private sector interface.

But there also have been some improvements in ARD partnering activity and government leadership. Second-generation PRSPs are placing increasing emphasis on ARD helping throw light on the kind of institutional and policy developments required. An important sign of recent progress in partnering is the inclusion of ARD in Joint Country Assistance Strategies (JASs) led by national governments (e.g. in Uganda, United Republic of Tanzania and Rwanda). IFAD and AfDB have made efforts to participate in JASs in some countries, though to a relatively limited degree to date. There is scope for more.

Fragile states present a different set of challenges for cooperation with governments; common lessons are emerging from the experience of donor engagement. An understanding of the causes of tension and conflict, based on analysis of national political economies, is needed. State building must be a priority, but capacity-building and technical assistance require significant human and financial resources over a long period. Because agencies typically initiate interventions in response to needs such as emergencies, there are numerous interventions, which become unwieldy and difficult to coordinate. Establishing coordinated strategies and common goals with recipient governments and lead partners is particularly important in situations of fragility, but it is easily neglected. The implications are that operations in fragile states need agency presence, aid coordination, additional human resources, patience, a long-term perspective and achievable objectives in straightforward areas of investment or policy.

Box 8 Working with a government on agriculture and rural development strategies: Rwanda

Preparation of the AfDB CSP 2008–2011 and the IFAD COSOP 2008–2012 included dialogue on government policies with ministries, project coordinators and other donors. IFAD put in place a country programme management team that included government staff, donors and NGOs to assist in preparing the COSOP.

Like AfDB, IFAD has started to harmonize its interventions with sectoral programmes, particularly in agriculture: recently designed projects adopt a programme approach instead of being designed and implemented as stand-alone projects. In the past, harmonization of interventions with sectoral programmes, and their performance, were constrained by lack of clear sector programmes, which reduced synergy among interventions.

AfDB has been in dialogue with donors and the Government through a budget harmonization group in the framework of budget support. Consultation with the Government led to an agreement to adopt clear criteria for prioritization in AfDB's CSP and a project implementation "readiness filter" for enhanced quality-at-entry.

The Government and AfDB also agreed to concentrate AfDB resources on budget support and four large-scale projects for roads, energy, water and sanitation rather than dispersing them on small projects with little impact. AfDB agreed to work with other donors to enhance the capacity of the new Public Investment Commission and the Central Public Investments and External Finance Bureau and to conduct joint annual country portfolio reviews with the Government and other development partners.

AfDB, the World Bank, DFID, Japan and the Government also plan to analyse impediments to growth in Rwanda with a view to prioritizing government actions under the PRSP to enhance analytical capacity at the Institute for Policy Analysis and Research and increase harmonization with government priorities and donor strategies.

Other partnerships by IFAD and AfDB in agriculture and rural development in Africa

Public and civil society partnerships. IFAD and AfDB have partnerships with many other public development and civil society agencies working in ARD in Africa at the corporate and country levels. IFAD has partnerships with agencies such as the Belgian Survival Fund (BSF), AGRA, the Coordination Secretariat for the United Nations High-Level Task Force on Food Security and the International Food Policy Research Institute (IFPRI). As a United Nations agency, IFAD has a responsibility to take forward the "One UN" reform agenda; in conformity with its mandate it has also established partnerships with organizations that advocate the cause of the rural poor such as the Farmers Forum and national farmers' associations. AfDB has regional partnerships such as those with NEPAD and CAADP, the AU and regional economic communities (RECs).[43] In 2009, IFAD and AfDB signed a letter of intent with the French Agency for Development and AGRA to establish an equity fund in Africa to promote private operators involved in the development of food production in Africa (for more details on IFAD and AfDB partnerships see box 9).

On the other hand, partnerships with FAO, WFP and the World Bank, all important actors in promoting agriculture and food security in Africa, have not been prominent in the past. IFAD and AfDB have often not coordinated at the country level. The numerous country-level coordination and partnership mechanisms in ARD in Africa reflect the changes in the international aid agenda, which increasingly emphasises common aid coordination platforms led by IFIs and bilateral agencies such as the World Bank, the EU and national partners (see table 4). Except for Mozambique and the United Republic of Tanzania, the past focus by IFAD and AfDB on traditional investment projects and limited country presence meant they have not played a lead role in these mechanisms. Partnering with other donor agencies was initiated mainly at the corporate level rather than the country level, which is one of the reasons why IFAD and AfDB have not helped much to fill the policy and leadership gap in Africa.

Private sector partnerships. Partnership with the private sector is not sufficiently developed in either IFAD or AfDB. Neither has engaged with the private sector to a degree commensurate with its central role in agriculture in Africa. This reflects a lack of clear corporate approaches and the difficulty of

43/ Such as the Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC).

supporting country-led approaches if governments offer insufficient support for private-sector participation in small-scale ARD. In response, IFAD introduced its Private Sector and Partnership Development Strategy in April 2005 and supports farmers' associations and the commercialization of small farmers. AfDB's Medium-Term Strategy 2008–2012 makes private-sector operations a focus for the future: it has a large department and a range of financial instruments to this end. The Bank's private-sector operations have increased sharply in number and volume in the last two years. But the conditions attached to loans do not favour small-scale business, and the department's activities are not well coordinated with other AfDB departments concerned with rural development. Partnering with the private sector opens up new roles and fresh opportunities for IFAD and AfDB, which need to be developed further.

Box 9 Partnerships in agriculture and rural development by IFAD and AfDB

IFAD partnerships

IFAD has had a partnership with BSF since 1984 to provide grants as cofinancing for IFAD-funded investment projects, of which there are 30 in 15 countries in sub-Saharan Africa. The partnership with BSF, which focuses on health, education, water supply and sanitation, is an example of a way to address the multi-faceted nature of rural poverty in Africa. The partnership with AGRA is an example of a "non-traditional" strategic partnership at the regional and country levels. With the Gates Foundation, IFAD is supporting AGRA's work with small farmers to address gender inequalities, improve rural services and market access and promote technical innovation. Another example is the 2006 Farmers' Forum Initiative, an ongoing process of consultation and dialogue between farmers, rural producers, IFAD and governments that provides IFAD with a tool for advancing policy dialogue and enhancing the role of targeted groups in policymaking and advocacy.

IFAD has also established a significant partnership with IFPRI that enables IFPRI research in IFAD-funded projects. IFAD benefits from IFPRI research findings, capacity-building and country dialogue initiatives. To promote its environment agenda, IFAD has a long-standing partnership with the Global Environment Facility (GEF) as an "executing agency", which enables IFAD to influence GEF and gives added visibility to IFAD. AfDB is also involved with GEF, but to a smaller extent.

IFAD has a particular role in working with FAO and the World Food Programme (WFP), the two other Rome-based United Nations organizations. The potential advantages of the combined finance capacity of IFAD, the logistics capability of WFP and the technical expertise of FAO are recognized, but issues of confidence in the ability to deliver and apparent differences in operating models have acted as constraints at operational and institutional levels. There are examples of partnerships between the organizations at the country level, but they still lack broad institutional backup.

AfDB partnerships

In its ARD partnerships, AfDB has a consistent interest in cooperating with bilateral and multilateral donors. AfDB's partnerships are policy and operations oriented, but a major "selling point" has been its capacity to leverage its own funds to generate more resources. To some extent partnerships are measured in terms of their multiplier effect, which for the AfDB's is weaker in agriculture than in other sectors: since 2007, the multiplier effect has been 1.95 compared with an average of 3.26 for the organization as a whole. In AfDB and IFAD, US$2 is mobilized for each dollar lent.

AfDB has developed partnerships with NEPAD, the AU and RECs. At the regional level, CAADP, which is led by the AU and NEPAD and implemented by RECs, is an example of developing ownership by national and regional institutions. These partnerships are managed by dedicated units such as AfDB's NEPAD Unit and Partnerships and Cooperation Unit. ARD does not feature prominently among AfDB themes or priority areas for partnering, however. Knowledge partnerships, which are to be managed by the Chief Economist's Office, are at an early stage of development.

OSAN has partnerships with AGRA and to a lesser extent with FAO. It convened an international workshop in 2008 in an attempt to get international partners and donors to discuss and coordinate the international response to the 2007–2008 food price crisis, but it proved difficult to institutionalize this event and ensure follow-up. AfDB's Technical Unit on Gender, Climate Change and Sustainable Development has partnered IFAD and others through the Women Organizing for Change in Agriculture and Natural Resources project, in which a small investment has brought visibility and engagement opportunities, attracted other sponsors and leveraged substantial additional resources.

Table 4 Country-level coordination and partnership mechanisms in agriculture and rural development in Africa led by agencies and national partners

Country	Donor leads	Top 3 financiers of agriculture	Donor/ Govt. CoC	ARD policy framework	Multi-stakeholder agriculture Coordination	Agriculture SWAp
Burkina Faso	Denmark	World Bank, AfDB, Denmark	-	PROSDRp	Yes	No (in the pipeline)
Ethiopia	GTZ, Netherlands	World Bank, USAID, EU	-	Rural Development Strategy	No	No
Ghana	GTZ	CIDA, World Bank, AfDB/USAID	In preparation	Food and Agricultural Development Policy	Yes (ineffective)	No (roadmap exists)
Kenya	Sweden	World Bank, EU, USAID	Yes	Medium-Term Sector Plan and Strategy for Revitalising Agriculture	Yes	No
Madagascar	EU	EU, World Bank, MCA	-	Agricultural Strategy (in preparation)	No	No (to be developed with strategy)
Malawi	EU	EU, World Bank, DFID	Draft	Agricultural Development Policy (in preparation)	Yes (limited to food and nutrition sub-sector)	No (to be developed with policy)
Mali	WFP	EU, MCA, KfW	-	*Loi d'orientation agricole*	Yes	No
Mozambique	CIDA (EU and Finland)	EU, World Bank, USAID	In preparation	As sector strategy (in preparation)	Yes	Yes
Niger	EU, France	EU, Denmark, France, USAID	*Cadre de partenariat*	Rural Development Strategy	No	Yes
Senegal	EU, France	EU, AfDB, France, World Bank	-	No overall strategy	Yes	No
Sierra Leone	Min. of Ag. and Food Sec., FAO	IFAD, AfDB, FAO	-	Medium-term Strategic Plan	Yes	No
United Republic of Tanzania	World Bank, Ireland	World Bank, IFAD, AfDB	Terms of reference for Agriculture Working Group of Development Partners Group	Agriculture Sector Development Strategy	Yes	Yes
	World Bank, EU	World Bank, EU, AfDB	Yes (no details available)	Plan for Modernisation of Agriculture	Yes	No

Table 4 (continued) **Country-level coordination and partnership mechanisms in agriculture and rural development in Africa led by agencies and national partners**

Uganda **Country**	**Donor leads**	**Top 3 financiers of agriculture**	**Donor/ Govt. CoC**	**ARD policy framework**	**Multi-stakeholder agriculture coordination**	**Agriculture SWAp**
Zambia	USAID, Sweden, World Bank/AfDB	USAID, Sweden World Bank/AfDB	Terms of reference for coordination between Ministry of Agriculture and Cooperatives	National Agriculture Policy	Yes	No
Zimbabwe	Netherlands	EU, DFID, USAID	Principles for Good International Engagement in Fragile States		Yes (limited to humanitarian assistance programmes)	No

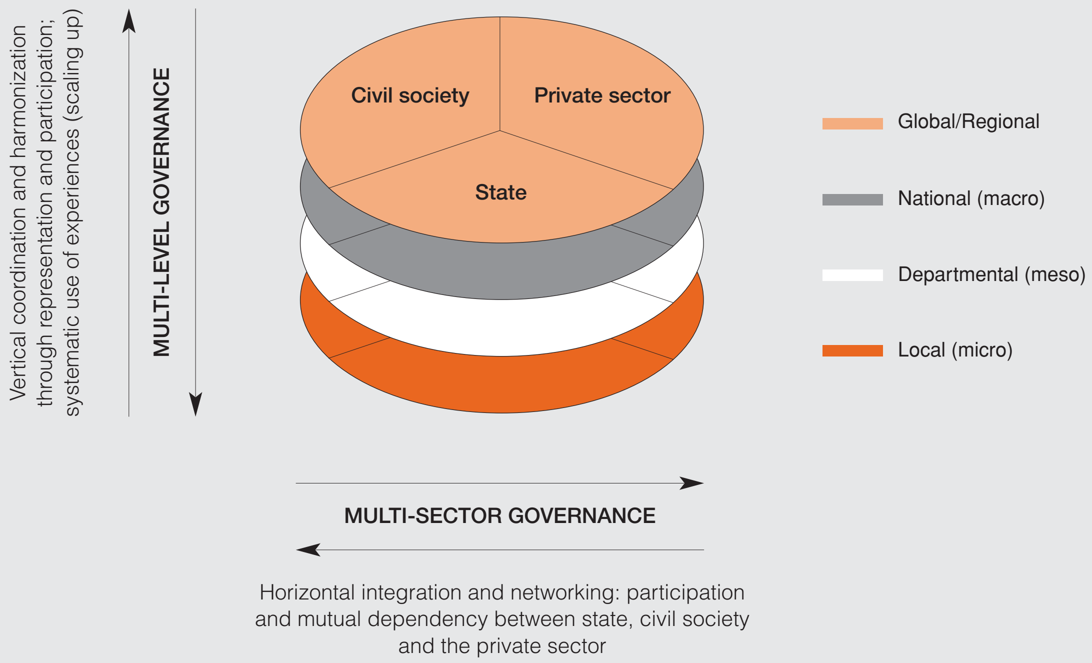
Notes: GTZ = German Agency for Technical Cooperation; USAID = United States Agency for International Development; CIDA = Canadian International Development Agency; MCA = Millennium Challenge Account; KfW = German Development Bank; PROSDRp = *Programme Sectoriel du Développement Rural productif*; CoC = code of conduct.

Implication of the new partnership environment and aid modalities

The development context changed significantly during the period covered by the joint evaluation, notably through the 2005 Paris Declaration on Harmonization and Alignment and the subsequent high-level forum on aid effectiveness in Accra in September 2008. These events provided a common framework for partnerships, including by now well known principles and commitments such as country ownership, alignment with recipient country policies and systems, common arrangements for delivering aid, simplification of procedures, management for results and mutual accountability. The complexity of the ARD sector, the strategic necessity for a broad set of actions (see chapter 2) and the enormous investment requirements must be addressed through strategic partnerships and planning with clear priorities at the country level and support at the regional level. Successful partnerships for development have to adopt a multi-stakeholder approach at different levels and across different players (see figure 11): partners range from the global to the local level and from the state, civil society to the private sector. Decision-making processes affecting ARD policies and strategies in the countries have to be inclusive, yet stay manageable. This will require clear definitions of aid modalities and division of labour for ARD, with clear roles for governments, international aid agencies, the private sector, local stakeholders and African regional institutions such as CAADP.

African governments and development partners have to work with a rapidly increasing number of development organizations, development assistance actors and new donors. Private foundations and philanthropic organizations are becoming increasingly important in agriculture in Africa, and Brazil, China and India are rapidly becoming important investment partners. In response to these developments, African nations working through the AU have identified joint action as critical: they have created NEPAD, CAADP and other institutions for regional integration and specialized development tasks. This raises the issue of ways to bring these actors into effective partnerships to support sustainable ARD in Africa. IFAD and AfDB will need to reflect on this and ensure that they continue to make a significant contribution to reducing poverty in Africa.

Figure 11 **Multi-level and multi-sectoral governance**



Partnership drivers and constraints

There are strong corporate drivers in IFAD and AfDB for expanded partnerships between themselves and with others. These include: (i) recognition that IFAD and AfDB cannot fulfil their mandates alone; (ii) the emergence of new players in ARD, particularly in the private sector; (iii) the need to implement the Paris Declaration with its focus on new modalities; (iv) the importance of greater selectivity and focus in ARD; (v) the increased country focus; (vi) the move towards more systematic knowledge management; and (vii) the need to fill gaps in specialized skills. But there are also many classical constraints working against effective partnership in both organizations, in particular (i) different institutional cultures; (ii) inconsistent programme and budget cycles; (iii) different procurement guidelines; (iv) the need to achieve annual lending targets; (v) limitations in staff competencies; (vi) different experiences and incentives with regard to developing partnerships; and (vii) different corporate priorities and lending instruments.

Yet, as a result of a certain degree of "partnership fever" evident in the development community in the last decade, IFAD and AfDB have developed a diverse, unstructured and loosely defined mix of opportunistic partnerships, which is becoming a burden on the limited resources at their disposal, especially staff time. Such partnerships emerge primarily to leverage additional resources than for strategic or programmatic reasons. Neither IFAD nor AfDB has a partnership policy or guidance on selecting, developing and implementing partnerships and measuring the results achieved.[44] Incentives for partnership work are uncertain: neither organization has a history of establishing clear objectives for partnerships, with targeted results and tracked indicators. Nor are their partnerships clearly based on comparative advantages and specialization.

44/ IFAD produced a position paper on partnerships in 2008 in the context of the 8th Replenishment, which is an indication of its growing recognition of the topic.

Key partnership principles
The observed practice of partnerships in IFAD and AfDB lends strong support to the following conditions for successful partnerships as gleaned from the joint evaluation review of good partnership practices: (i) Partnership is a means to an end: partnership agreements need to set clear goals for the partnership and expectations for value-added; (ii) Selectivity is key. Partnerships need specific and bounded objectives, with one or more clear outcomes that are being tracked regularly. This requires monitoring and evaluation; (iii) Strong partnerships are dynamic in nature. They often bring a particular intensity of effort and sharpness when evolving conditions demand. This requires flexibility among partners; and (iv) Adequate resourcing, including appropriate and adequate human resources, and organizational incentives, which need to align across partners, are crucial (see box 10).

Organizational and business process implications
AfDB and IFAD have clear corporate messages as to the importance of partnering, but this has not been prioritized in organizational reform and business processes, nor sufficiently operationalized in guidelines. Corporate intention to invest more in partnerships is not well reflected in policy frameworks that rationalize existing partnerships in relation to corporate strategy and country-driven needs. Rationalization of existing and future partnerships will be needed to ensure that staff time is used to maximum effect.

IFAD and AfDB have already reformed many of their business processes. But further reform will be essential to enable more effective partnerships through increased country presence and better knowledge management. Integrating knowledge into policies and operations is a major challenge. These changes have significant implications for the management of human and financial resources. The increasing role in development of the private sector, farmers' associations and communities calls for significant changes in policies and the orientation of partnerships among donors and recipient governments, and adaptation of business models.

Table 5 **Overview of cofinancing mobilized by IFAD since 1978 in Africa**[45]

	1978-1993		1994-2001		2002-2007	
Cofinancier	No. Projects	US$	No. Projects	US$	No. Projects	US$
Belgian Survival Fund	3	36	14	158	11	166
African Development Bank	22	211	7	94	7	90
West African Development Bank	5	59	10	126	6	80
OPEC Fund for International Development	15	155	13	188	11	167
Global Environment Facility			2	30	7	77
World Bank	49	446	18	208	6	63
World Food Programme	16	171	4	64	2	19
Arad Fund for Economic and Social Development	2	22	1	8	1	11
Total	**113**	**1102**	**69**	**874**	**52**	**674**

Source: IFAD/Project and Portfolio Management System.

45/ The average total cofinancing across all donors in the period 1978-1993 was US$68.8 million per year for 7.1 projects, US$109.3 million per year between 1994-2001 for 8.6 projects, and US$112.3 million per year between 2002-07 for 8.7 projects. The cofinancing from the AfDB/AfDF for the same periods was US$13.2 million (1.4 projects), US$11.7 million (0.9) and US$15 million (1).

Box 10 Good practices for partnerships

Partnership is not an end in itself: it is a mechanism for delivering corporate, programme and project objectives, which must be clear to all partners. The aim should be long-term, performance-based partnerships rather than short-term project funding. Operational environments are complex and make various demands on partnerships and partnership projects; economic and political situations, for example, have to be thoroughly understood. The elements necessary for good partnerships are as follows:

- **Context is fundamental.** Partnerships are effective when they are based on the resources available on the ground, when they enhance the capacities, determine the best ways to fill gaps and are open to modifications as the partnership matures and capacity develops. This is particularly important in the heterogeneous and knowledge-intensive context of ARD in Africa (see chapter 2).
- **Understand incentives and conflicts.** From the outset, partners must understand their individual and institutional incentives, negotiable issues, obstacles, assets and reputations. IFAD and AfDB have not given this matter adequate attention, in spite of their commitments to enter into a partnership;
- Differentiate between individuals and institutions. Partnerships need to be developed beyond the individual level and become part of the organization. Each partner needs to develop effective internal communication channels.
- Manage assumptions and expectations. Develop clarity in the partnership model from the start and recognize the incentives and disincentives of partnership. The existence of a partnership agreement does not mean that a model of partnership has been considered at the outset; this was the case of the MoU between IFAD and AfDB;
- Focus on results. Partners must jointly determine targets for the delivery of shared objectives and the quantity and quality of outcomes expected; they must understand where interests converge as anticipated. Decision-makers must obtain authentic information about processes and results from operators in the field.
- Reconcile single-partner interests with collective interests. Unless a problem is regarded as urgent by all partners, individual missions are likely to outweigh collaborative missions. Reconciling individual interests with collective interests is possible only when partners appreciate the high risk related to not engaging in a shared solution.
- Create partnerships on the basis of complementary contributions and comparative advantages. Organizations should confine their contribution to their core business, which they do best, contributing their competencies, experiences and comparative advantage to the partnership. They must determine which core competencies add value to the complementary contributions of other partners.
- Recognize time and energy as critical resources. The most costly resources of collaboration are the time and energy required for negotiating with partners on the five dimensions of collaborative action – governance, administration, autonomy, mutuality and trust.
- Apply practical measures. Working in partnership requires measures for accountability, clarification of roles and responsibilities, continuous exchange of information, clarification of expectations and a list of possible sanctions.

Source: Partnership benchmarking study undertaken during the joint evaluation, 2008.

IFAD/AfDB partnership options

In the short term, IFAD and AfDB are likely to need selective, focused partnerships: IFAD could devote attention to smallholder farmers' productivity, community development, gender equality and empowerment; AfDB could provide support for infrastructure development, improved macro-economic and sector governance, and engagement with the private sector. But it is not clear how far this will deliver immediate gains in improved development effectiveness. Improvements in business processes are likely to lead to increased capacity for effective partnering in the medium and long term. The evaluation proposes five approaches to developing future IFAD/AfDB partnerships:

(i) Build on the comparative advantage of each agency and develop a complementary engagement in one or more priority areas, in line with the strategic frameworks of IFAD and AfDB.

(ii) Facilitate private-sector involvement in agricultural development and develop innovative financing instruments.

(iii) Consider the value added of joint country assistance strategies and assess the viability of joint business processes to implement them, particularly joint supervision and implementation support and joint country presence.

(iv) Find ways to leverage the increasing funding for ARD in Africa.

(v) Document good practice and experience with a view to the replication and scaling up by AfDB and others of innovations promoted by IFAD.

Box 11 Review of partnerships

- IFAD and AfDB have had two formal partnership agreements dated 1978 and 2008. The 1978 cooperation agreement was largely input- and activity-driven; more attention is devoted in the more recent 2008 MoU to results and joint action.
- Past partnership between AfDB and IFAD was largely confined to cofinancing of investment projects and in AfDB to providing supervision services for IFAD; 38 projects were cofinanced over 30 years at an overall project cost of close to US$1.77 billion.
- The performance of the partnership has been generally weak: there was limited communication and co-ordination, inadequate supervision of projects and little cooperation in policy dialogue, joint programming and knowledge management.
- Performance of cofinancing of projects has been mixed, with different forms and intensities of cofinancing and joint arrangements, often involving other partners.
- AfDB and IFAD have had good partnerships with borrowing governments in Africa, who have confidence in them and consider them trustworthy.
- AfDB and IFAD have a range of partnerships with other development agencies working in ARD in Africa: for example, IFAD has partnerships with BSF and the Farmers' Forum; AfDB has partnerships with NEPAD and the AU. These are critical in addressing the multi-dimensional nature of poverty. Partnerships with FAO, WFP and the World Bank, however, have not been prominent in the past.
- There are encouraging recent signs in both organizations of enhancement and extension of their partnership in ARD to combat poverty in Africa. But new aid modalities, "partnership fever", the many donors in Africa and the Paris Declaration have implications for the AfDB and IFAD business models in Africa.
- The evaluation proposes five approaches for developing IFAD/AfDB partnerships: building on the comparative advantage of each agency and developing a partnership in priority areas, facilitating private-sector engagement, reflecting on the value added of cooperation in some business processes, leveraging the increased funding for ARD in Africa and documenting good practice with a view to replication and scaling up by AfDB of innovations promoted by IFAD.
- There are good practices that should be considered in future partnerships, including ensuring a results focus, building on comparative advantage and managing assumptions and expectations.

Conclusions and recommendations

6

Overview

Africa is a continent on the move as demonstrated by the accelerated economic growth of a number of countries: in their agricultural sectors, this occurred when governments were in control. Specifically, major progress has been achieved over the past 15 years by African countries that have taken charge of their economic destinies and reformed their approach to economic management. Given this evidence, the joint evaluation concludes that the pessimism that has characterized prior assessments of Africa's ARD prospects is no longer justified.

To be sure, the global economic crisis that is still unfolding constitutes a serious setback. Equally, the agricultural trade practices of OECD countries constitute a major disincentive. Agro-industries in Africa considering exports run into tariff escalation on processed goods whereby there may be free access for unprocessed produce, but tariffs rise rapidly with any additional processing. This situation is exacerbated because some African countries still discriminate against agriculture through domestic policies that create a negative rate of protection for agriculture, particularly for exportable commodities.

Moreover, Africa, and in particular sub-Saharan Africa, faces serious challenges – some old, some new; these include low levels of human development, deep and chronic poverty, an unfavourable and unequal trade regime, and more recently, natural resource degradation, climate change and volatility of commodity markets. Disease, malnutrition and illiteracy still persist in the continent. State fragility is a major constraint. Violent conflict has not been banished. Most economies in Africa are still highly vulnerable to exogenous shocks so that official development assistance still has a major role to play in nurturing ARD.

Nevertheless, in spite of the recent food process crises and ongoing recession, the medium and long term prospects of Africa's agricultural sector are good due to a better investment climate, greater economic stability, growing private-sector activity, fewer armed conflicts, more democracy, the emergence of stronger regional organizations, the advent of a vocal civil society, the vitality of the private sector and a renewed interest in ARD by governments and donors alike.

Against this background, the joint evaluation concludes that Africa's agricultural sector, including the traditional crops that are its mainstay, has great untapped potential. Agriculture, long neglected, should be recognized as the critical driver of economic growth, increased employment, poverty reduction and enhanced food security in Africa. The foundation of the continent's agricultural potential rests on its rich natural resources and on the dynamism and resilience of its smallholders and rural entrepreneurs including women, who constitute the majority of the rural population.

A major constraint to sustainable economic and agricultural growth remains the low productivity and limited access to markets of small farmers and small rural businesses. In this regard, underinvestment in research and development oriented towards increased productivity of poor farmers at both the country and regional levels has also held back improvements in food security and higher incomes. Coupled with a range of institutional constraints, insufficient research and development tailored to local conditions has likewise constrained the expansion of large scale commercial agriculture.

To exploit the untapped potential of African agriculture requires the establishment of an appropriate policy environment. However, the conclusion of the evaluation is that there is a large "policy gap": there are significant shortcomings in policies, institutions and ultimately leadership which are constraining successful development of the ARD sector. Related to this, the evaluation found that there is an undersupply of public goods, for example in terms of infrastructure and investment in research, which further hinders agricultural growth and improvement in incomes. Given the complexity and heterogeneity of agricultural conditions in Africa and the risks involved in the adoption of new practices, harnessing new agricultural technologies and disseminating them will also call for major investments to fill the extensive "knowledge gap".

Despite important exceptions, the evaluation did not find evidence of strong political will supporting ARD within the region. For instance, few governments have allocated 10 per cent or more of their own budgets for ARD or put in place effective ARD policies and strong institutions to implement them, as called for by the AU resolution adopted at the Maputo Conference in 2003 by African Ministers of Agriculture. Strong political will is also considered essential to ensure that donors align their support and interventions within the overall priority areas defined for the ARD sector by national policies.

Faced by this multi-faceted challenge, the evaluation concluded that strong and effective partnerships between the public, private and voluntary sectors are not yet forthcoming in the amount and frequency that would be required to sustain the momentum of change and achieve broad based success in ARD. International donors have also not on the whole realigned their priorities to promote ARD in Africa. African governments need trusted, knowledgeable and competent development partners, who will work with them to address the ARD challenges and seize its opportunities.

There is a proliferation of donors in Africa, which is causing severe strain on national systems and resources. Donors are bringing additional resources, but they also come with high transactions costs to governments for co-ordination and dialogue with respective donors, including receiving donor missions and following up on their reports and recommendations. In theory, partnerships among donors based on their respective areas of comparative advantage and specialization and led by governments would be an asset. But, in reality, in spite of the adoption of the Paris Declaration and Accra Agenda for Action, donor co-ordination remains a challenge, partly due to weak government capabilities to co-ordinate their actions.

The evaluation highlights that AfDB and IFAD are important actors in ARD in Africa, as until recently they used to contribute about 50 per cent of the total multilateral ODA to the sector in Africa. Both are trusted and respected partners in most countries of the region. They are well placed to work with regional organizations and governments to address frontally the policy leadership and capacity gaps that must be filled. Based on their extensive experience "on the ground", they have recently done a great deal to improve their own capacities so that, working together, they can make distinctive and significant contributions in addressing the challenges of the sector. Their policy competence, their capacity for dialogue and their knowledge management processes however are still weak. For this, both organizations need to go beyond their current role as project investment agencies to reach to the higher plane of sub-sector and sector-wide interventions including policy advice. The next step should be to bring this experience to bear on key policy issues and contribute more substantially to the debate around the policy table. For this purpose, more attention to non-lending activities, including knowledge management, partnership development and policy dialogue and the development of analytical capacity which should underpin these activities, will be required.

The joint evaluation also concludes that both agencies have undertaken important reforms in the recent past, even though further improvements in policies, processes and systems can be achieved. This will require adequate resources. Through their on-going business process reforms, both agencies have made significant strides towards putting themselves in a position to work closely with governments on the challenges facing ARD. Both IFAD and AfDB are committed to become knowledge organizations, to enhance their country presence and strengthen supervision and implementation support, and to make their operating processes more businesslike and efficient. Both agencies also recognize that they have different contributions to make and that a stronger partnership between them would yield major benefits to their member countries. They recognize that their own comparative advantages and their chosen specializations can provide the basis for an effective partnership in support of filling the ARD policy gap and improve borrowers' performance – a major constraint to improved development effectiveness.

The evaluation found that in the past quality of their assurance systems, as well as supervision and implementation support were weak. Efforts have been made to improve these business processes, which are essential to enhance country programme and project performance so that performance continues to improve, especially in terms of the sustainability and efficiency of their interventions. Moreover, in the past both agencies opted often to use a comprehensive multi-component approach to policies and programmes, instead of taking a sharper strategic focus based on their comparative advantage and specialization. This standard response has not proven felicitous in all cases.

The evaluation also underlines that each agency indeed has their own comparative advantages, but they have not invested in the development of new areas of competencies to fulfil a more nimble and responsive role in ARD. Specialization implies greater priority to partnerships as an alternative to the comprehensive, multi-component approach of the past.

Specialization in areas of comparative advantage would also generate new possibilities for cooperation between IFAD and AfDB.

Conclusions

Good policies matter, but there is a policy and leadership gap. Since 2001, economic growth rates have exceeded 5 per cent a year, and no less than twenty countries in Africa have grown at rates faster than the average for the developing world since 2004. High economic growth has led to reduction in poverty, and in particular agricultural growth has contributed to promoting food security as well as reducing hunger and malnutrition. But, economic growth in most African countries started from a low base; it varies across the continent and remains fragile as a result of the many challenges the continent still faces.

Increased agricultural growth since the 1980s is largely the result of improved agricultural conditions, particularly the improved macro-economic and sector policy environment, the enhanced investment climate and commitment by governments to make ARD as the engine for growth and better lives. The fact that a dozen countries have done well in agricultural growth gives hope that good performance is achievable more widely. The difference between these countries and those making less progress has to do with developing and adopting the right policies and strengthening the institutions that implement them.

Economic and agriculture growth have been facilitated by fewer armed conflicts, greater political stability, democratically based legitimacy, and enhanced civil society participation. There have also been improvements at the institutional level, with the emergence of regional and sub-regional organizations.

African economists[46] have long emphasized the need to promote widely shared agricultural growth, based on the 'Four Is': improving the investment climate, closing the infrastructure gap, promoting innovation and building institutional capacity (see relevant section in chapter 2). African states have not devoted adequate attention to these principles in their ARD activities, nor have these principles been the main drivers of cooperation in the sector.

Despite the recent global economic crisis,[47] the medium and long term prospects for Africa and its agriculture are positive because macro-economic policies have improved and because commodity prices have stopped declining. They are expected to stabilize at slightly higher levels because of demand from global growth and for bio-fuels. Another positive factor is the political will evident in some African governments to prioritise and support ARD activities with sound policies, national plans and budgets. The 2003 African Union Conference of Ministers of Agriculture in Maputo has recognized the need to increase food and agricultural production in order to guarantee sustainable food security.

By adopting the Maputo Declaration, countries agreed to implement the CAADP agenda, including specific investment projects and action plans for agricultural development, at national, regional and continental levels. Specifically, countries agreed to implement the CAADP agenda and achieve its targets of 6 per cent annual agriculture growth rate and allocate at least 10 per cent of national budgetary resources towards ARD within five years. But while eight countries are living up to the Maputo Declaration commitment to fuel their own development, ARD is not yet high on the agenda of many governments, despite the fact that a vast majority of the poor derive their livelihoods and income from agriculture-related activities.

Interest in the sector decreased to dramatically low levels in the 1980s and 1990s. While policy shifts are underway, resources going towards ARD are still too low, given the importance of agriculture for growth and poverty reduction. Equally, donors have stressed the need to give greater priority to country led approaches in support of the principles of the Paris Declaration but again meaningful actions have not always followed the words. Moreover, insufficient efforts have thus far been made to truly put countries in the driver seat of poverty reduction policies and programs.

In a number of countries these changed conditions have provided incentives and created more space for the private sector which has been a key element in promoting agricultural growth, for example in the United Republic of Tanzania.

In general, the evaluation finds that in many countries more can be achieved in terms of private-sector engagement. In particular, governments have a major role to play in establishing the enabling environment through adequate policies and the provision of public goods such as research.

46/ Ndulu, B. et al. (2007).

47/ The recent financial crisis is having a negative effect on Africa particularly in countries with developed manufacturing and tourism industries or those receiving significant remittances from abroad. Rural areas and more agrarian countries are likely to be buffered as they are less integrated into global markets.

Governments have not yet done enough in terms of promoting access to input and output markets, creating better opportunities and incomes and lower transactions costs for all ARD actors, such as farmers, women and small and larger business entities. On the whole, governments have not yet done enough to alleviate the constraints to market development, by increasing the provision of public goods such as roads to reduce the high transport costs that prevail in the continent, as well as by encouraging the participation of agribusinesses and access to market information.

The evaluation concluded that there is a large policy, institutional and leadership gap. Many governments still lack adequate capacity to lead the development and implementation of effective and relevant pro-poor policies and programmes in ARD. There is even a bigger gap in relation to rural development policy, which is not generally covered by CAADP, in most countries in spite of its overall importance for poverty reduction. One of the reasons for this gap is the limited knowledge about the complexity and heterogeneity of the ARD context. The nature of ARD opportunities and challenges is location specific. Questions cannot be settled a priori. They must be tackled based on location specific ARD knowledge. Technological solutions vary widely from location to location. Similarly, the nature of the state's role in addressing market failures, developing responses to unfavourable international conditions, mobilizing private-sector resources varies from country to country. The policy implications of the gendered economic roles typical of African rural societies can also only be drawn case by case.

The evaluation believes that overcoming the policy gap and the capacity to follow through will contribute to addressing the challenges listed above by providing the enabling environment in which ARD can flourish. Improving the policy and strengthening the institutions requires strong country ownership and political will, which is not evident in many countries of the continent. It also deserves more assistance from donors. Progress in CAADP in establishing national country-led ARD strategies and corresponding compacts for implementation has been slow for example. Translating these compacts into national investment programmes that can be supported by donors has yet to happen. Given the magnitude of the challenge no single donor acting alone would be able to provide the required support.

In spite of the more favourable operating environment, there are still many obstacles to overcome - low levels of human development and chronic poverty, particularly in Sub-Saharan Africa. African agriculture faces multiple challenges such as the need to improve productivity and yields, natural resource management, making markets work, and ensuring a wider participation of women, who play a significant role in agriculture. A particular challenge is to enable small farmers to move from subsistence to commercial farming. Managing the risks involved in the transition is the best way for small farmers to raise themselves out of poverty.

Other challenges affecting agricultural growth include resolving the remaining armed conflicts, mitigating the impacts of epidemics such as HIV/AIDS, addressing the uneven improvements in governance and limited political decentralization, the slow regional integration with a persistence of under-funded regional and sub-regional organizations, inadequate fiscal commitments to ARD by national governments, and slow progress in creating the infrastructure linking land-locked countries and remote regions of coastal countries to the centres of demand and to ports. These issues are further exacerbated in low income countries including fragile states, where capacity and institutions are generally weak and policies unstable.

One overarching challenge is the unfavourable and unequal international trade regime and its negative protectionism for agriculture, which is a major obstacle to enhancing African productivity and incomes in the sector. Trade barriers and subsidies in OECD countries, as well as the inefficient production systems and limited product quality assurance mechanisms in Africa, combine to hamper the development of agriculture in the continent. The two organizations have not devoted much attention to supporting African countries and regional organizations to address the range of issues and policies in OECD countries affecting trade imbalances in Africa.

Project and country programme performance. The evaluation found that project performance was on the whole moderately satisfactory, but serious concerns remain related to sustainability and efficiency of their interventions. These two areas merit close attention in the future. Furthermore, the relevance and performance of country strategies was weaker than performance at the project level, creating a “micro-macro paradox”. That is, in spite of the moderately satisfactory achievements at the project level (usually restricted to the geographic areas and communities targeted by Bank and IFAD operations), less satisfactory results are discernable at the aggregate country programme level.

This raises the issue of relevance of both agencies at that level, which has become the unit of account in both organizations.

While the relevance of past country strategies was poor, efforts in recent years have been made to implement country strategies with a better focus on results. Further efforts will be required to ensure that country strategies truly integrate investment operations with non-lending activities which, when combined and supported by sufficient analytic work, should more effectively support the relevant national priorities and objectives for ARD.

In the past, both agencies frequently opted to use a comprehensive multi-component approach to projects. This standard response has generally proven neither efficient nor effective, given the coordination, implementation and supervision challenges it brings. A more selective approach based on their comparative advantage and specialization that identifies the key disadvantages, requirements and market failures at local level and that concentrates efforts on the removal of the most serious policy and institutional bottlenecks holds greater promise.

At the AfDB, project performance is generally stronger in the middle income countries of the region. This is attributable to the stronger institutional and human resource capacity of these countries. Similarly, at IFAD, performance in sub-Saharan Africa (West and Central, and East and Southern Africa) is lower than the other three regions of the world covered by IFAD operations. This also appears to be the case for the other multilateral donors. The relatively weaker performance in sub-Saharan Africa may be partly explained by the challenging context and the diverse character of countries in sub-Saharan Africa, as compared to other regions. Within sub-Saharan Africa, most countries with IFAD operations are classified as fragile states and low-income countries with weak policy and institutional environments. In particular, a large number of countries in sub-Saharan Africa have relatively weak government capacity, knowledge institutions and national statistic systems, which limits their ability to formulate and implement pro-poor policies in the agriculture and rural sector. This also constrains country strategy formulation and project design as well as supervision and implementation support.

However, the complexity of the context at the design stage or its evolution during implementation cannot be the rationale for less positive results at project completion. Rather, design teams should factor in context issues up front, and avoid setting unrealistic objectives while preparing country strategies and projects.

This again points to the need for more comprehensive analytic work and skills as well as resources to generate the knowledge required for this purpose. In depth analytic work would also strengthen the engagement of the two institutions in policy dialogue. Partnerships with other institutions can help in generating sharper and more comprehensive analysis. But capacity is needed to make best use of such analysis and adapt it to the specific needs of the two institutions. Accordingly, while knowledge partnerships are part of the answer, capacities for analytical work will also have to be strengthened within the Bank and the Fund themselves. Unless they have the capacity to undertake adequate analytical work to inform their policy dialogue, partnerships, innovation and knowledge management, the two organizations will achieve only limited success in improving the relevance of their strategies or in stepping up the performance of the operations they finance.

Neither in IFAD nor at AfDB is the complexity and difficulty of the country context normally used as a criterion for determining the allocation of administrative resources for project, programme and country strategy formulation or for supervision and implementation support. A more differentiated approach may prove to be useful in the allocation of resources to countries with a more complex and difficult context and weak institutions, rather than following the current "one-size-fits-all" approach. This could help the institutions to formulate better country strategies and projects, and improve supervision and implementation support in difficult settings. Specific staff skills, experience and competencies are also required for working in more challenging environments.

The need for effective partnerships. The partnership between AfDB and IFAD in the past was weak. It was more opportunistic, rather than a strategic one based on comparative advantage and proven specialization. There was limited cofinancing over the 30 year period, collaboration in policy dialogue and knowledge sharing was rare, and the Bank's role as IFAD's cooperating institution responsible for project supervision was on the whole weak. Cofinancing only rarely worked well and the partnership lacked a strategic focus. However, with the signing of a new MoU in 2008, and given the imperatives of the Paris Declaration, there is scope to develop a more strategic and more strongly results-oriented partnership based on the respective areas of comparative advantage and specialization of the two institutions.

The evaluation identified five principles for further development of the IFAD/AfDB partnership: (i) a focus on the comparative advantage and specialization of each agency; (ii) facilitating private-sector engagement; (iii) seeking greater efficiency through harmonization of key business processes; (iv) leveraging increased funding for ARD in Africa; and (v) documenting good practices with a view to replication and scaling up by AfDB of innovations promoted by IFAD. Partnerships by both agencies with other development partners could most effectively be built around similar principles of complementarity and comparative advantage.

The new agreement signed in 2008 contains a broad list of priority sectors and themes and it points to a clear shift in focus on results. But the evaluation concludes that the partnership between the two organizations has not yet taken adequate account of comparative advantages and specialization. In particular, more needs to be done in terms of cofinancing and collaboration in supervision and policy dialogue and the innovation-scaling up interface needs explicit attention.

Recommendations

Recommendations for both agencies

The joint evaluation makes the following recommendations for both agencies, focusing on the "three Ps" of policy, performance and partnership for consideration by IFAD and AfDB management.

Filling the sector policy gap

The evaluation has concluded that leadership, strong institutions and good sector policies all matter, but that a "policy gap" has been holding back progress. AfDB and IFAD should work together to address the ARD policy gap in the following ways:

(i) **At the regional and sub-regional levels, step up support to CAADP in implementing its mandate. Provide a joint statement of support for CAADP.** CAADP provides a clear and comprehensive 'Africa-led, Africa-owned' policy framework for ARD in Africa. IFAD and AfDB should issue a joint statement of firm support for CAADP, and ensure that their policies and operations are clearly aligned with CAADP's policy pillars.

(ii) **At country level, support government and other stakeholders to develop sound, national results-based ARD policies.** These should be relevant to national needs and conditions, based on thorough sector analyses, and aligned with the CAADP policy framework, including the commitment towards allocating 10 per cent of national budgets towards agriculture and achieving 6 per cent agricultural growth, in line with the Maputo Declaration. Recognizing that the opportunities and challenges are different from country to country, IFAD and AfDB should, working with others, contribute towards strengthening the country-specific knowledge base underpinning national sector policies and in promoting policy reform where sound policies are not already in place.

(iii) **At country-level, support-sector coordination and harmonization and align AfDB and IFAD strategies and programmes with national policy frameworks wherever possible.** A country-led approach requires AfDB and IFAD to align their strategies and programmes with national priorities, where these are appropriate, and, where possible, to support the development of sectoral joint assistance strategies led by government. This should help to strengthen the relevance of country strategies, which the evaluation found to be a point of weakness. AfDB and IFAD will need to be selective, focusing on sub-sectors and themes in line with their respective areas of comparative advantage and specialization. The evaluation findings indicate that the two institutions need to give greater attention to investment in non-lending activities including policy dialogue, building partnerships and knowledge management, and to disseminating and scaling up successful innovations. Both institutions should use their influence to bring civil society and private-sector players to the policy table.

(iv) **At the level of global policy, develop knowledge and capacity to engage in international advocacy on trade issues affecting African producers.** The evaluation noted that the prevailing international trade regime undercuts agriculture in Africa. Although the two institutions have limited experience in this area, it is of critical importance to the sector. Accordingly, the two agencies need to develop their respective policy positions on the issue, and support borrowing countries to strengthen their capacity to negotiate on trade issues in international fora. Moreover, there is room for the two agencies – in particular the Bank – to engage in policy dialogue with individual African countries regarding export taxation for agriculture.

Improving performance

As the evaluation noted, in recent years IFAD and AfDB have undertaken wide-ranging internal reforms to improve their own development effectiveness, strengthening internal business processes with a view to achieving better results on the ground. They need to continue efforts to improve their performance as lenders, mainly by taking further steps to align their business processes more fully with a country-led approach. However, the performance of borrowers remains weak, which neither agency has so far taken sufficient steps to address. Both agencies need to do more to address capacity gaps constraining borrower performance, and to promote local ownership of interventions with a view to improving performance and sustainability. For their part, governments in many cases need to do more to address organizational and capacity issues in the sector, and must provide leadership for sector reforms where these are needed.

Lender performance

Building on recent reforms, AfDB and IFAD should make further efforts to improve their performance in the following ways:

(i) **Develop increased skills, knowledge and capacity in the areas of policy, analytical work, knowledge and partnership management, with a view to sharpening the relevance and effectiveness of strategies and operations.** To deliver on the policy and performance recommendations listed above, there will be a need for skills and knowledge beyond the existing project management skill set. Skills in gender analysis and gender planning are required across many of these areas. AfDB and IFAD should develop knowledge and expertise in selected sub-sectors and themes, and establish 'knowledge partnerships' with other institutions, including FAO and the World Bank, to acquire knowledge in wider fields. All of this carries implications for staff development, deployment and recruitment.

(ii) **Provide increased support to ARD in fragile states, giving careful attention to choice and sequencing of aid modalities.** AfDB and IFAD are both committed to increasing support for fragile states, where agricultural growth and support for rural livelihoods can play a key role. Coordinating their actions with others, IFAD and AfDB need to ensure that assistance to fragile states is provided using approaches which are flexible and responsive to changing local needs, making effective use of a range of aid instruments. Rapid and well targeted provision of technical assistance and capacity building should be followed by substantial investments as local circumstances allow.

(iii) **Strengthen country presence.** Assisting a country-led approach to ARD will require an effective country presence, with delegated authority, resources and out-posting of staff with the required seniority to engage in policy dialogue at various levels of governance. Among other advantages, improved country presence will support better diagnostic and analytical work, including better understanding of context and risk management, and contribute to better results on the ground both in investment and non-lending activities. To strengthen collaboration at the field level, pooling of resources and sharing of office accommodation should be piloted at the country level.

(iv) **Finance simpler, more tightly focused projects and programmes, undertaken within the framework of coordinated, results-oriented sector plans.** Rural populations often face an array of tough challenges and multiple forms of disadvantage, and development agencies have often responded with multi-component projects to address the spectrum of needs. But such projects often prove complex and difficult to implement and tend not to perform well. In cooperation with partner governments, AfDB and IFAD have recently begun to prepare and undertake projects of simpler, more clearly focused design, each intended to be complemented by other interventions within a coordinated framework, reflecting a division of labour based on comparative advantage.

AfDB and IFAD should continue to develop this approach, taking care to integrate careful risk analysis. Priority attention needs to be devoted to ensuring the efficiency of operations funded by the two agencies and the sustainability of benefits.

Borrower performance

AfDB and IFAD have paid only limited attention to building the government capacity to manage more effectively the implementation of policies and programmes. Yet the evaluation identifies weak borrower capacity as a critical constraint. It is recommended that AfDB and IFAD should, in collaboration with other agencies with the required skills and experience:

(i) **Support governments to undertake capacity needs assessments in the ARD sector, including diagnostic assessments of institutional arrangements, and provide substantial support for capacity building and institutional development.** The evaluation identified shortfalls in the capacity of Government to implement projects and programmes effectively and to ensure that benefits are sustainable following project completion. Given the wide array of rural stakeholders and institutions, it is often the case that other players in the sector also have limited capacity. Training alone is rarely enough to address capacity gaps. In many cases, institutional development is required, linked to wider public sector reforms. The focus needs to be not only on programme management, including monitoring and evaluation, but also on policy formulation and implementation.

(ii) **Specifically, support governments to address capacity issues relating to political and administrative decentralization.** Where decentralization of governance is being introduced, available capacity is often fragmented in allocating staff and resources to the local levels. This has a critical bearing on the success of rural development efforts. AfDB and especially IFAD need to support governments to manage the process effectively and build capacity where it is needed.

(iii) **Gender equality** was a significant area of weakness in borrower performance. In this regard, IFAD and the Bank should initiate efforts in selected countries to work closely with governments and other stakeholders to undertake joint diagnostic analyses of the causes, characteristics and consequences of gender inequalities in ARD, and assist in developing practical policies and measures to address the issues identified. If this approach is successful, it could be extended to a wider range of countries over time.

(iv) Support deeper **investment in research and development** to improve agricultural productivity and innovation geared towards promoting inclusive growth and poverty reduction.

Building purposeful partnerships

AfDB and IFAD already have many partners at every level. In the context of country-led development, the most important IFAD and AfDB partnerships are at the country level with governments, civil society and the private sector. Such partnerships must be led by the governments, with support from donors and development organizations, who need to give attention to establishing an appropriate and efficient "division of labour" based on comparative advantage and specialization.

On the basis of the findings of this evaluation, the following recommendations are made. AfDB and IFAD should:

(i) **Maintain and deepen their current bilateral partnership, based on the MoU of 2008, setting a limited number of clear, strategic regional priorities, backed by a clear Action Plan and adequate resources.** The MoU of 2008 sets out a broad agenda for action. Successful implementation will depend upon selecting strategic regional priorities, and translating these into a judicious selection of activities for implementation. Sufficient resources are required not only to deliver specific activities, but to ensure effective liaison, monitoring and oversight. Success will depend on compliance with a realistic, well-defined, adequately resourced Action Plan setting out clear objectives and deliverables, with clear accountabilities, monitorable timelines and transparent budget commitments.

(ii) **Focus their partnership on their respective areas of comparative advantage, specialization and complementarity, and strengthening the focus on results. These include:**

a) AfDB's competence in macroeconomic and infrastructure issues and IFAD's focus on the social, micro-economic and community-based aspects of ARD;
b) AfDB's support for (large scale) private-sector operations, including agri-business, and IFAD's support for small producers and their organizations, including rural credit schemes and small enterprises; and
c) IFAD's role in pioneering pro-poor innovations and AfDB's capacity to scale these up in areas where it has the necessary competence.

(iii) **At the regional level, take forward their partnership within the wider partnership around CAADP, and in support of CAADP.** IFAD and AfDB should play a role among donors and development organizations in rallying and coordinating global support for ARD in Africa. In line with the Paris Declaration and the Accra Agenda, the two institutions must work with major players such as FAO, the World Bank, the European Union as well as bilateral donors (notably USAID)[48] and policy and research institutes such as IFPRI.

Recommendations for AfDB

ARD is not a core area of operational focus under the AfDB's Medium-Term Strategy 2008-2012, and the Bank has reduced the proportion of its budget allocated to the sector. Nonetheless, the Bank continues to allocate significant resources to the sector, and AfDB responded effectively to the food price crisis in 2008 with a set of short term measures and a refocused medium term agenda. A new strategy for agriculture was developed at the end of 2009, drawing on findings from this evaluation. The strategy was approved by AfDB's Board in February 2010.[49]

It is recommended that AfDB should:

(i) **Remain directly engaged in ARD, but develop a more selective strategy, closely linked to the Bank's medium term priorities, and aligned with CAADP.** In view of the importance of the sector and its contribution to growth and poverty reduction, AfDB should maintain its support for ARD, particularly in the aftermath of the successive food, fuel and financial crises. But the Bank should not try to work across the entire region on all ARD issues, or with all partners. A revised strategy should be highly selective, building on the Bank's areas of comparative advantage and linking activities in ARD more closely with the areas of operational focus set out in the Medium Term Strategy, including support for private-sector operations. The medium-term strategic priorities set out in the Bank's paper responding to the food crisis are therefore appropriate and should be refined as the basis for a selective, medium-term sector strategy.

(ii) **Following approval of a revised strategy, AfDB should mount a major communication campaign to inform African leaders and other sector donors of the Bank's strategic objectives in the sector.** Changes in the Bank's stance on agriculture have sent mixed signals to decision makers within the region and in other development institutions. A major corporate effort will be required to publicise the Bank's renewed commitment and the change of focus. Preparation of a revised strategy for the Bank, and its eventual implementation, should include those departments within the Bank that are directly or indirectly supporting agriculture and rural development, beyond OSAN;

(iii) **Expand support to regional and sub-regional development.** Regional and sub-regional infrastructure, markets and institutions are crucial for agriculture development. The Bank should pay particular attention towards assisting countries in expanding regional investments and coordination through better utilization of existing bank lending instruments and developing regional allocation mechanisms.

(iv) Ensure that sufficient human and financial resources are allocated for effective implementation of the revised strategy while seeking to leverage further funding from the private sector, private donors, Arab States and emerging donors including Brazil, China, Korea and India. Steps should also be taken to ensure provision of adequate resources to regional member countries and operational departments to take forward important analytical work and sector studies.

48/ Which has traditionally been one of the largest donors in ARD in Africa.
49/ *Bank Group Agriculture Sector Strategy 2010-2014,* AfDB, February 2010.

Recommendations for IFAD

It is recommended that IFAD should:

(i) **Engage more strategically in analytic work.** This is critical for the formulation of country strategies and project design. In addition to developing in-house capacities for this purpose, strategic partnerships with other institutions that have existing capabilities need to be explored. This calls for allocation of additional resources, both in financial terms as well as in building staff capabilities;

(ii) **Differentiate allocation levels of administrative resources.** Given the prevailing weak policy and institutional environments in fragile states and countries with low CPIA scores, they should receive greater administrative resources for the analytical work required for country strategy formulation and project design, as well as supervision and implementation support. This would enable close involvement and support by IFAD in programme activities in countries that have weaker overall capacities and more challenging contexts; and

(iii) **Plan selected joint activities between the divisions covering Africa (Western and Central Africa, Eastern and Southern Africa, and Near East and North Africa).** One option is the development of a knowledge programme to share lessons learned, good practices and experiences across the three regional divisions. A proactive policy for exchanging staff and consultants across the three divisions should be developed. Joint activities could also entail the development of regional grants programmes, for example in agricultural research addressing cross-regional challenges.

Report of senior independent advisers

Appendix 1

Joint evaluation of agriculture and rural development policies and operations in Africa of AfDB and IFAD

Senior independent advisers' comments[55]

Introduction

In fulfillment of our terms of reference, we summarize below our joint assessment of the processes, methods and overall contents of the joint evaluation (JE) of Agriculture and Rural Development Policies and Operations in Africa carried out by IFAD's Office of Evaluation (OE) and AfDB' Operations Evaluation Department (OPEV).

In addition to attesting to the independence and quality of the JE, we were tasked to provide strategic guidance and advice to the Joint Oversight Committee. Throughout the process, our work was facilitated by the Joint Evaluation Secretariat. All the relevant documentation was shared with us and we were allowed unimpeded access to the staff and consultants that carried out the work.

Upon request, we commented on all major deliverables. Either as a group or individually, we participated in key JE meetings and workshops. In particular, events held in Tunis and Rome allowed interaction with staff in both partner institutions and a conference held in Bamako provided us with insights regarding African stakeholders' views.

A unique evaluation challenge

The idea of a joint evaluation of agriculture and rural development (ARD) policies and operations in Africa originated with the Presidents of IFAD and AfDB. Its basic rationale was grounded in the realization that a new operational approach to ARD was needed to achieve better results and that, for both institutions, useful lessons could be drawn from a joint review. In 2006, the OE and OPEV Directors decided to undertake a truly joint evaluation.

This was a bold choice. While, until then, all collaborative evaluations among multilateral organizations had taken the form of parallel evaluations, OE and OPEV figured that the benefits of pooling their resources and undertaking joint field work would enhance the coverage, credibility and quality of the evaluation evidence. A truly joint exercise would also reduce the administrative burden on member countries and help to generate useful conclusions about the IFAD-AfDB partnership.

While acknowledging the benefits of a genuinely joint approach, OE and OPEV recognized the risks involved. Accordingly, they adopted sensible measures to mitigate them. In particular, they delineated distinctive accountabilities; explicit communications protocols and jointly agreed work programs. They also jointly decided about the scope of the JE: it would be designed to enhance the relevance of AfDB and IFAD policies and operations in the agriculture and rural development (ARD) sector of Africa; to examine their relevance; their performance and their impact; to evaluate their partnership dimensions and to make recommendations for the enhancement of their development effectiveness.

Throughout all major evaluation phases, we offered strategic guidance and professional advice without "crossing the line" and undercutting the integrity of the process. Based on a joint approach paper dated October 2006, the Boards of AfDB and IFAD endorsed the JE in November and December 2006. The evaluation started in earnest in July 2007 after a memorandum of understanding was signed by OE and OPEV. In January 2008 a joint inception report was issued. It was agreed that four working papers would provide the main building blocks of the JE: (i) a contextual overview of agriculture and rural development in Africa; (ii) a meta-analysis of independent evaluations; (iii) a special study of partnerships; and (iv) an assessment of business reform processes.

55/ Per Pinstrup-Andersen, Seydou Traoré and Robert Picciotto.

In addition, a comprehensive desk review of documents and systematic interviews with staff were carried out in both institutions. Subsequently, based on an interim report, consultations were held with the management, staff and governing bodies of both organizations. These interactions led to the commissioning of a quality-at-entry assessment, eight country studies and a perception survey in six countries. These findings were fed into the final report. Comments on a draft were then sought from AfDB and IFAD Managements and from African governments' representatives, civil society representatives and donors at a meeting held in Bamako (Mali) in May 2009. The final version took account of stakeholders' comments.

Evaluation performance

The agreed scope of the JE was broad. Beyond a meta-evaluation of existing project and country evaluation reports, OE and OPEV decided that the JE would consider the overall ARD challenge faced by Africa and to draw its policy implications in order to assess the relevance of IFAD and AfDB operations. The report also examined on-going corporate change initiatives and partnership practices. Each of these tasks would have been demanding on its own right. In combination they added up to a uniquely complex challenge.

The methods selected were shaped by the lack of clear ARD goals, transparent metrics and reliable performance measurements in both organizations. Reliance on professional judgment was inevitable and triangulation of evaluation methods was imperative. All in all, we are satisfied that the final report is comprehensive; its analyses are sound; its conclusions are strategic; finally, its recommendations are thoughtful and valuable. If endorsed and used by the Managements and the Boards of AfDB and IFAD, the evaluation should generate considerable value to both institutions and their member countries. Such an outcome would not have been feasible without resort to an elaborate and participatory evaluation process that took full account of African governments' views.

Proactive consultative processes helped to minimize the constraints imposed by the scarcity of rigorous, reliable and comparable performance data about ARD in the two agencies. Faced with a pervasive absence of base line data and a paucity of verifiable performance indicators at all levels (project, country and corporate) the evaluators had to "make do" by resorting to desk reviews, syntheses of reports, special studies, country visits, extensive face-to-face interviews and consultations with a broad range of stakeholders.

Communication problems, skills gaps and deficiencies in relevant information made it necessary to recast and beef up the consultancy teams at mid-course. Furthermore, in order to ensure compliance with the terms of reference, OE/OPEV staff had to play a more active role at the final report writing stage than originally envisaged. The evaluation was also delayed by the decision to add a perception survey and a quality-at-entry review and by the detailed internal reviews and inter-agency consultations involved at various stages of the process.

A one-year delay and a cost increment resulted. Such slippages and cost increases are not unusual in large scale and complex evaluations and it is a tribute to the OE/OPEV Managers concerned that they stepped in and acted decisively to ensure a high quality outcome. All things considered, we are satisfied that good judgment was rendered in managing the evaluation process and that the analytical methods selected were in line with good development evaluation practice.

The ARD challenge

The JE highlights the improved, private sector led, economic and agricultural growth trends in parts of Africa in the wake of the macroeconomic and governance reforms of the nineties. This assessment is a healthy rebuttal to the unwarranted Afro-pessimism that has for too long prevailed in the development literature. Equally, it was appropriate for the joint evaluation to list the critical obstacles that need to be overcome to get African agriculture moving.

The ARD challenge faced by Africa is daunting. Cereal yields are only 1.1 ton per ha – a third of the world's average. The value added per agriculture worker in Africa is 38 per cent of the world's average. While Africa's agricultural growth was about 4-5 per cent from the late 1990's until the middle of this decade, this is about the same as the average growth achieved in other developing countries. It is well below the rate achieved in India during the green revolution (6 per cent). Furthermore the high rates of population growth in many African countries translate into modest per capita agricultural growth rates.

These performance gaps are partly explained by the uneven playing field of the global market in food and agricultural products. Agricultural trade is characterized by heavy agricultural subsidies and the unfair trade barriers imposed by OECD countries. This chronic asymmetry in trade relations has been sustained by the superior influence of OECD countries within WTO; the lack of a coherent countervailing response by African policy makers and the resulting feeling of helplessness among them.

These unfavorable circumstances have been aggravated by the triple crisis of food, fuel and finance that recently swept the world. Even before the global downturn, Africa was lagging behind all other regions in its progress towards the first Millennium Development Goal of halving the share of poor and hungry people by 2015. Thus, from 1990 to 2008, IFPRI's hunger index fell by 11 percent in Africa which is well below the progress achieved outside of Africa (a drop of 25-40 per cent). The number of malnourished African has increased significantly since the 1980s so that sub-Saharan Africa now accounts for two-thirds of undernourished people in the world.

The number of food emergencies has risen from about 15 a year in the 1980s to more than 30 a year since the turn of the millennium. Most of the increase has been in Africa, where the share of food emergencies attributable to human causes (e.g. violent conflict) doubled over the past two decades. At the country level, the highest hunger scores are in DRC, Eritrea, Burundi, Niger and Sierra Leone.

In this context, we welcome the focus of the report on the need to (i) commercialize Africa's agriculture; (ii) address upfront the challenges posed by the emergence of bio-fuels; and (iii) encourage research and development in new biotechnologies adapted to Africa's circumstances. Both organizations, especially AfDB, should emphasize these new policy directions.

Political will and ARD investment

The JE report is correct to stress that the challenge of poverty reduction in Africa will not be met unless a sea change in policies takes place. Both donor and recipient countries need to face up to the deleterious consequences of their past policies and recognize that ARD in Africa is characterized by utterly inadequate levels of rural investments; continued large-scale food imports and chronic prevalence of hunger and malnutrition. The looming threats posed by climate change only add to the urgency of policy reform.

The JE is therefore on the mark when it draws attention to the impact of OECD agricultural protectionism on rural poverty in Africa. Equally, governments and donors alike should recognize the benefits of investments in ARD given their high multiplier effects. The most serious obstacles facing ARD in Africa are poor infrastructure, high transport costs, primitive financial markets, lack of access to appropriate production technology and generally adverse enabling environments for private business. In other words, there is a major gap in the provision of public goods supportive of private-sector enterprise and investment in ARD.

The JE may not have been explicit enough about this priority or the underlying constraints that have hindered increased investments in African agriculture, e.g. the fiscal restrictions mandated by the international financial institutions or the limited private financial flows devoted to ARD. Such considerations only strengthen the need for both organizations to increase the priority of ARD within their own operations programs.

The simple reality is that current public expenditures levels in support of ARD do not match the incremental investment requirements of food security (estimated at $18 billion annually by NEPAD). Of course, increased public spending for agriculture needs to be quality spending directed towards the right operational priorities and in the context of improved ARD policies. Accelerated, well targeted, high quality lending and policy advice by IFAD and AfDB has become an urgent necessity. Such measures would help accelerate Africa's recovery from the effects of the financial crisis.

To be sure, African governments have endorsed a Comprehensive Africa Agriculture Development Program under NEPAD that calls for scaled up investments and improved sector governance. But the rhetoric has not been matched by action and it would behoove AfDB and IFAD to provide stronger and more coherent leadership in support of NEPAD's undertakings. Thus, African ownership of the policy agenda articulated by the JE would be enhanced if AfDB and IFAD would jointly approach the African Union and NEPAD with a view to assisting both organizations in the design and construction of a broad based coalition in support of ARD in Africa.

Reassessing sector priorities

The final report highlights the potential of inducing higher productivity in African agriculture through commercialization and improved connectivity of smallholders to modern food supply chains. But this implies reform in land rights as well as expanded financial, technical and research support to the expansion of agricultural input/output markets and the promotion of domestic processing of agricultural products (e.g. cotton) and other agro-industries. In addition, new opportunities are offered by the international fair trade and organic food movements.

Equally, we fully support the JE's focus on enhancing the gender orientation of ARD operations and filling the knowledge and innovation gaps that plague ARD in Africa. Specifically, AfDB and IFAD should play a more active role in support for improved agricultural research management in the region and in the promotion of actions needed to take full advantage of the biotechnology revolution. In this context, greater priority should be given to supporting the research and education capacity of African universities.

Finally, the JE's recommended focus on fragile states is fully warranted. These countries have been neglected by donors. Community-based agricultural and rural development programs in post-conflict setting have considerable potential. A more explicit acknowledgement of the "aid orphan" problem created by the performance-based aid allocation formulas adopted by both institutions would have been appropriate. Furthermore, the critical importance of conflict sensitivity (through reduction of group and regional inequalities, priority to youth employment, effective natural resource management, economic diversification, etc.) could have been made more explicit.

Addressing performance issues

Project quality matters. In this context, the JE's meta-evaluation of performance yielded sobering results. It described recent business reforms but confirmed that further efforts are needed to enhance the development effectiveness of ARD operations in both organizations. In particular, the share of moderately satisfactory ratings embedded in the current 60-70 satisfactory outcome ratings is too high for comfort.

We also wish to note that evaluation practices do not focus sufficiently on impact. In this context, the finding that only 35-40 per cent of projects covered by the meta-evaluation are likely to generate sustainable benefits should be a wake up call. To be sure ARD operational performance in other development agencies is not dissimilar and both IFAD and AfDB have initiated business process reforms focused on operational quality. But these reforms should be intensified through the introduction of independent quality assurance in real time.

The strengthening of monitoring and evaluation systems and processes in borrowing countries is another important priority given the critical lack of baseline information and field level evidence of progress identified by the evaluation. The current "disconnect" between project-level and country-level performance ratings (micro-macro paradox) also needs serious management attention in terms of enhancing the relevance of ARD operations and improving the links between country strategy formulation and project designs.

We also note that overall operational performance is somewhat better for IFAD than for AfDB. This may be due to the tight resource envelope within which AfDB operates but it also suggests that AfDB would gain a great deal from a sharper policy stance and a tighter partnership with IFAD. For both institutions urgent progress towards Paris Declaration objectives by connecting AfDB and IFAD operations more closely to country led processes and revisiting the instrument mix (e.g. more SWAps).

All of these quality improvement objectives will not be met without improvements in country dialogue and non-lending services quality as well as shifts in corporate management processes. Fortunately, both IFAD and AfDB are committed to become knowledge organizations, to enhance their country presence, and to make their operating processes more businesslike and efficient.

Finally, the JE is on firm evaluative grounds when it highlights the need to focus more directly on the underlying capacity constraints that hinder borrower performance. While governments need to be in the driver seat, IFAD and AfDB should offer principled and meaningful support which may call for an honest, transparent and robust debate so that adequate policies and programs are encouraged.

Such a role is relevant and appropriate given that both agencies are trusted and respected partners in most countries of the region and very well placed to work with regional organizations and other development partners to help address policy and capacity gaps.

The partnership dimension

In addition to the enhanced country focus recommended by the JE we endorse its call for improved outreach to the civil society and the private sector. Promotion of goal-oriented alliances for ARD would improve overall policy coherence in the currently fragmented aid architecture.

Until recently clear parameters, objectives and indicators were not established despite a 30 year long relationship. Neither IFAD nor AfDB have made a serious effort to engage with each other. The lackluster results of their partnership in terms of supervision and cofinancing are striking. Both institutions have failed to (i) establish appropriate staff incentives that would lead to a stronger partnership, (ii) translate the corporate level agreements with effective business practices at country and sector level; and (iii) set priorities in the plethora of partnerships that both institutions have pretended to forge without establishing effective structures or monitoring systems.

Hence, AfDB and IFAD should strengthen their alliance. This is justified by strategic considerations: the recent shifts in the aid architecture; the all important Paris Declaration; the need for both institutions to improve country dialogues and knowledge management; etc. The JE accurately identifies the complementarities between AfDB's 'hardware' advantages and IFAD's 'software' assets. It confirms the substantial benefits that would flow from their effective partnering. We also believe that the partnership would be greatly strengthened by joint country strategies and systematic up-scaling of promising innovations.

Robert Picciotto
Per Pinstrup-Andersen
Seydou Traoré
November 24, 2009

Joint AfDB and IFAD Management response

Appendix 2

Background and introduction

The Managements of the African Development Bank (AfDB) and the International Fund for Agricultural Development (IFAD) (hereafter referred to as Management) welcome this report on the joint evaluation of agriculture and rural development (ARD) policies and operations implemented in Africa. The evaluation sets out to achieve four objectives: (i) determine the relevance of these policies and operations in the light of current and emerging issues; (ii) assess their performance and impact; (iii) evaluate the strategic partnership between IFAD and AfDB and partnerships with other sector stakeholders; and (iv) develop recommendations to enhance the development effectiveness of the two institutions.

The evaluation was conducted at the request of the executive boards of AfDB and IFAD and was undertaken jointly by the independent evaluation offices of the two institutions. The final report builds on the main analysis and key points contained in the interim report, the country synthesis report including the perception survey, and the quality-at-entry review. The interim report itself was informed by four working papers on: (i) the contextual issues for agriculture and rural development in Africa; (ii) a meta-evaluation of previous operations funded by the two institutions in Africa; (iii) a review of partnerships between AfDB and IFAD, but also with other major players; and (iv) an analysis of selected business processes and their impact on results.

Management wishes to commend AfDB's Operations Evaluation Department and IFAD's Office of Evaluation for undertaking the evaluation jointly and in a collegial manner, and for sharing with the Managements of the two institutions information about the progress made and the findings emerging from the evaluation. The evaluation is relevant in the context of a rapidly changing environment both on the African continent and globally.

Management takes note of the report's highlights, which not only confirm that AfDB and IFAD are important actors in ARD, but also identify them as trusted and respected partners in most countries of the region. It should be noted that until recently, the two institutions contributed about 50 per cent of the total multilateral official development assistance to the sector in Africa. Both are, therefore, well placed to work with regional development organizations and national governments to address the policy, investment and capacity gaps that currently exist. This is a position that should be exploited in promoting the sector.

This Management response highlights the main conclusions and recommendations of the joint evaluation, and presents Management's comments on these findings and an action plan for the way forward. In doing so, it calls attention both to ongoing efforts and to those planned for the future.

Overall, Management endorses, to a very large extent, the conclusions and recommendations contained in the evaluation report, while realizing that the recommendations made are generic in nature and may not apply to specific countries or contexts. Where management believes that not all relevant factors have been fully analyzed or statements lack appropriate nuancing, these have been identified. Management also states its commitment to taking the necessary action to address the issues identified and the recommendations it has endorsed. To this end, the following annexes are included:

(a) The list of recommendations made and the proposed Management actions; and

(b) Key outputs, indicators and targets for 2010 for assessing partnership performance.

In addition, in the partnership meeting held on 20 November 2009 in Tunis, Tunisia, it was agreed that progress made with respect to the proposed Management actions and the outputs for 2010 and take follow-up action accordingly.[50] Furthermore, an action plan for joint activities will be prepared for 2011 and

50/ The partnership meeting was attended by AfDB and IFAD Mangement and respective evaluation offices. The AfDB delegation was headed by President Donald Kabureka and the IFAD delegation was headed by Mr Kevin Cleaver, Assistant President, Programme Management Department.

annually thereafter and will be regularly monitored and followed up. It was also agreed at the partnership meeting that focal points would be appointed for various activities in both institutions to strengthen coordination at the operating level and facilitate all collaborative efforts.

This response is divided into three main parts consistent with the structure of the recommendations. The first part (following section) presents the joint response from the management of the two institutions relating to those areas that are common to both and covers policies and institutions, lender performance, borrower performance and building partnerships. The response provided in this part is jointly endorsed by the Management of both institutions. The second part (Response of the Bank Management) presents the response made separately by the Bank and the final third part (Response of IFAD Management) the separate response of the Fund.

Joint response of the Managements of the Bank and the Fund

Context, policies and institutions

Management agrees with the conclusion of the joint evaluation that the pessimism that has characterized previous assessments of Africa's ARD prospects is no longer justified and Africa is now a continent on the move. Despite the adverse impact of the global economic crisis and the burdensome agricultural trade practices applied by member countries of the Organisation for Economic Co-operation and Development, the medium and long-term prospects for the sector look good.

The evaluation concludes that agriculture and rural development will remain core elements in most African economies, and that both institutions should continue to engage in the sector but with a clear selective focus aligned with their comparative and strategic goals. It notes that the Bank has already identified priorities for its future focusing on irrigation and water management, rural infrastructure and the reduction of post-harvest losses. Management endorses this conclusion.

Regarding fragile states, the Bank will continue to provide increased support to ARD while paying specific attention to the choice and sequencing of aid modalities, as outlined in its Strategy for Enhanced Engagement in Fragile States, which is built around three main pillars: (i) supplementary financing to support governance and capacity-building, and the rehabilitation and construction of basic infrastructure; (ii) arrears clearance; and (iii) targeted support for capacity-building and knowledge management.

IFAD's operations in fragile states are guided by its Policy on Crisis Prevention and Recovery, under which it is committed to taking a proactive approach aimed at removing the deep-rooted causes of crisis. This policy is complemented by IFAD's commitment during the Eighth Replenishment period (2010-2012) to improving its development effectiveness in fragile states by also adopting a flexible approach to its programme and project design, with a strong focus on building the capacity of community and government institutions. IFAD uses its projects also as platforms for testing and learning about appropriate policies and sector strategies, and shares the relevant knowledge with member governments so that they can scale it up for use in formulating national policies and sector strategies.

Management agrees with the evaluation finding that improving policies and strengthening local capacities for planning and implementation requires strong country ownership and political will. Both institutions are signatory to the Paris Declaration on Aid Effectiveness that was reaffirmed and reinforced under the Accra Agenda for Action. Accordingly, Management upholds the principle that regional member countries (RMCs) should exercise leadership over their development policies and plans and commit to making available resources to support such efforts.

Management affirms its support for the Comprehensive Africa Agriculture Development Programme (CAADP), its four policy pillars and the promotion of country-led CAADP processes; it will continue working in partnership with CAADP and aligning the policies of both institutions, wherever possible, with national priorities and strategies. Management is of the view that CAADP, given its current institutional structure, can certainly play an effective role in the area of policy dialogue and advocacy. It is important, however, to ensure that in doing so CAADP is not overstretched by fully engaging in programme and project development at the country level, beyond the preparation of the compacts.[51] Management is also of the opinion that achieving the targets set under the Maputo Declaration is critical to bringing about improvements in the agricultural and rural sector.

The evaluation finds that in many countries more can be achieved in terms of private-sector engagement.

51/ CAADP compacts are high-level agreements among governments, regional representatives and development partners intended to focus the implementation of CAADP within a given country (or region if it is a regional compact). Compacts detail the programmes and projects addressing national priorities to which the various partners can commit resources.

In particular, governments have a major role to play in establishing an enabling environment. As encapsulated in the Bank's 2007 strategy update for its private-sector operations, the vision for private-sector development is founded on a conceptual framework for development impact that links entrepreneurship, investment and economic growth with the Bank's ultimate goal of poverty alleviation. Embraced as a key driver of growth, private-sector development is, therefore, an institution-wide priority that is deeply embedded in the evolution of the Bank's core investment operations, with shared responsibility across all Bank complexes.

IFAD is required by its Private Sector Development and Partnership Strategy to engage in policy dialogue with governments to promote an enabling policy and institutional environment for local private-sector development, support local private-sector development in rural areas through its investment operations, and establish partnerships with the private sector to leverage additional investment and knowledge. These commitments have been reaffirmed for the Eighth Replenishment period and IFAD has pledged to explore the need for an additional facility to promote private-sector investment.

Both institutions have been called upon to engage actively in analytical work. Given its mandate, capability and resource availability, IFAD's involvement in analytical work has been very limited; accordingly, IFAD will require additional resources to undertake such work. The Bank is strengthening its capacity in the area of knowledge management spearheaded by the Chief Economist Complex.

In line with the concept of the division of labour, Management believes that engaging institutions that are better placed in the agriculture policy arena, particularly the International Food Policy Research Institute (IFPRI), would be more appropriate. In fact, IFAD has already embarked on such an approach by providing a large grant to IFPRI. In the area of natural resource management, the Bank will seek to deepen relationships with leading agencies, such as the International Union for Conservation of Nature, the African Wildlife Foundation and the African Ministerial Conference on the Environment, in order to provide invaluable insights into the changing threats faced by our RMCs.

The evaluation findings indicate that, where appropriate, the Bank should make greater use of policy-based lending to influence and support ARD policy priorities. The Bank Management will ensure that in countries where the fiduciary environment is conducive, it will establish partnerships with others to support policy-based lending operations in the ARD sector. The Bank is already working with RMCs to build fiduciary capacity and improve country systems, for instance through institutional support for good governance projects. With regard to general budget support operations, the Agriculture and Agro-Industry Department (OSAN) will work closely with the Governance, Economic and Financial Reforms Department (OSGE) to include agriculture-related dimensions in project design, where and when necessary. Similarly, using its policy framework for sector-wide lending for agriculture, IFAD is fully engaged in sector-wide approaches, learning from the experience gained, and aligning its own systems and procedures, as appropriate.

The evaluation notes that the prevailing international trade regime undercuts agriculture in Africa and recommends that both institutions should, at the level of global policy, develop knowledge and capacity to engage in international advocacy on trade issues affecting African producers and support borrowing countries in strengthening their capacity to negotiate trade issues in international forums. Management welcomes this recommendation. In the spirit of the division of labour, this is an area in which both institutions foresee benefits in working closely with the African Union/CAADP and the regional economic commissions (with the African Union taking the lead role) to adopt common positions when negotiating in international forums. The Bank's New Partnership for Africa's Development (NEPAD) and Regional Integration and Trade Department and IFAD's Policy Division and Programme Management Department will endeavour to provide input in this area. Meanwhile, at the national level both institutions will continue supporting local and regional markets in the national context, and providing rural infrastructure and other support for market development.

The Bank Management assures all stakeholders that the Bank will continue to remain directly engaged in ARD, but will develop a more selective strategy closely linked to the Bank's medium-term priorities and aligned with CAADP.

Similarly, IFAD remains committed to at least maintaining the share of the total resources devoted to Africa, which, in the context of substantially increased resources available to IFAD, will imply a larger absolute volume of resources made available for Africa.

Performance of projects and programmes
Management acknowledges the report's findings, which confirm that "change is underway in the two institutions 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". In addition, Management recognizes that "AfDB has improved its poverty focus and strategic selectivity of interventions", while both institutions have introduced new quality assurance and enhancement systems.

Performance of AfDB-supported projects

The meta-evaluation was based on project and programme evaluations carried out by the Bank's Operations Evaluation Department between 2003 and 2007. The operations assessed were designed in the 1990s. The evaluation found about 70 per cent of the Bank-funded projects to be moderately satisfactory or better, in terms of relevance. Comparative figures for other evaluation criteria were as follows: effectiveness, 60 per cent; efficiency, 50 per cent: poverty impact, 55 per cent; and sustainability, 40 per cent. It further reports the Bank's overall project performance at 60 per cent, which is on a par with the World Bank project performance score, also 60 per cent.

As stated above, there have been significant improvements in recent years. An independent review of the quality-at-entry of African Development Fund operations and strategies for the years 2005 and 2008 revealed an increase in the percentage of operations rated moderately satisfactory and above, from 76 per cent in 2005 to 81 per cent in 2008. The percentage of operations rated fully satisfactory and above also rose considerably over the same period, from 38 per cent to 53 per cent. The creation of the Quality Assurance and Results Department, the role of the Operations Committee and the oversight provided by the AfDB Board's Committee on Development Effectiveness have bolstered efforts to improve quality-at-entry. However, performance in terms of cross-cutting dimensions remains weak and targeted measures are being put in place as part of the work to strengthen the Bank's Gender, Climate and Sustainable Development Unit (OSUS).

Performance of IFAD-supported projects

The evaluation assessed about 90 per cent of IFAD-funded projects as moderately satisfactory or better. Comparative figures for other evaluation criteria were as follows: effectiveness, 61 per cent; efficiency, 66 per cent; poverty impact, 54 per cent; and sustainability, 40 per cent. The evaluation also rates IFAD's overall project performance at 72 per cent, compared with the World Bank's 60 per cent. These results need to be interpreted in the light of the following factors:

- **(a)** The average approval date for 28 IFAD projects included in the sample was mid-1994, meaning that they would be designed around 1993. The average completion date of these projects was late 2004. The performance reported is therefore of projects that are of an earlier generation.
- **(b)** IFAD's performance in Africa is lower than that of its overall portfolio of projects and programmes.
- **(c)** IFAD has undertaken wide-ranging internal reforms since these performances were recorded and future performance is likely to be significantly different.

Some improvements in performance are already visible. The 2008 Annual Report on Results and Impact of IFAD Operations (ARRI) report states that in spite of some fluctuations from year to year, "there is a steady upwards trend in results across all but a few evaluation criteria since 2002". While disaggregated trends for Africa are difficult to map out due to the smallness of the sample size of projects evaluated, the evaluations undertaken in 2008 report a 100 per cent moderately satisfactory or better result for relevance and innovations, 91 per cent for rural poverty impact and 73 per cent for sustainability, implying that the performance of IFAD-assisted projects in Africa is also improving. Recent individual evaluations also confirm this trend.

Institutional performance

African Development Bank

Improvements in the Bank's performance can be seen from a sample of the key performance indicators: (i) the project supervision ratio has improved from 1.1 in 2006 to 1.4 in 2008; (ii) the number of problem projects has reduced from 64 in 2006 to 41 in 2008; (iii) the proportion of projects directly managed by field offices currently stands at 9.3 per cent, compared with the 2009 target of 7 per cent; (iv) regarding operations in fragile states, activities under pillar 2 of the Bank's Strategy for Enhanced Engagement in Fragile States – arrears clearance – have already surpassed the target for the year three times over, and activities in support of pillars 1 and 3 – technical assistance and capacity–building – are on track.

Management supports the call to strengthen the institution's country presence and equip its field offices with the necessary resources and delegated authorities. The Bank is working towards this objective. To date, 22 out of the proposed 25 field offices (20 country offices and 5 regional offices) have been opened and are fully operational. The remaining three field offices will be opened by end of the 2009. Seventeen out of the 22 operational field offices have locally recruited agricultural experts. The Bank is in the process of posting international staff to the field, initially to its regional offices.

IFAD

IFAD Management agrees with the evaluation finding that design weaknesses such as inadequate risk analyses exist in past projects, particularly for Africa, where state fragility and weaker institutional capabilities were not sufficiently factored into country strategies and project designs. Management is also in agreement with the evaluation finding that during the reference period of performance assessment, IFAD was at a disadvantage because of its lack of country presence and the outsourcing of project supervision.

In recent years IFAD Management has taken the following steps to improve its own performance and that of the projects and programmes it has supported:

- **(i)** In the last three years the quota of projects under IFAD's direct supervision has increased from less than 5 per cent to over 90 per cent at present. Subsequent to a recent decision of the Executive Board, (ref) all IFAD-funded projects that are not supervised by the cofinanciers and are not at the final years of implementation have been brought under IFAD's direct supervision.
- **(ii)** The number of IFAD country offices has increased from 2 in 2003 to 17 in 2008 and is expected to be about 27 by the end of 2009.
- **(iii)** New project design guidelines were issued in early 2008 that require projects to be more "implementation ready", in other words, simpler and more clearly focused. In recent years there has been a significant rise in the share of value chain-type projects requiring in-depth sector and subsector analyses.
- **(iv)** The quality enhancement system has substantially improved the risk assessment and sustainability of projects and programmes.

In sum, IFAD's operating model has changed markedly in recent years and, to a large extent, these changes address the recommendations made by the evaluation, including those concerning enhanced knowledge management, an area that has benefited significantly from IFAD's direct supervision and country presence. Nonetheless, IFAD Management will further extend the reform process, particularly in terms of human resources management reform, by, inter alia, aligning people with corporate priorities, diversifying the workforce with different and enhanced skills and knowledge as part of its eighth replenishment commitment, in response to the findings of this evaluation.

The Managements of both institutions support the call to strengthen the country presence of the institutions and equip their field offices with the necessary resources and delegated authorities. However, the proposal that AfDB and IFAD should pilot the pooling of resources and sharing of office accommodation may be at variance with the One United Nations agenda pursued by United Nations agencies at the country levels.

The evaluation also identified gender equality as a significant area of weakness in borrower performance. In this regard, it calls on the two institutions to initiate efforts in selected countries to work closely with governments and other stakeholders in undertaking joint diagnostic analyses of the causes, characteristics and consequences of gender inequalities in ARD, and to assist in developing practical policies and measures to address the issues identified. Management is of the view that although the Bank and IFAD have worked extensively in this area over the years, there is still room for improvement.

Cognizant of the recommendations made by the AfDB Working Group on Gender in September 2008, calling for enhanced gender mainstreaming in Bank operations and support for countries in strengthening their institutional capacity, OSAN and OSUS will join forces to ensure gender inequalities are addressed. In line with the Bank's Updated Gender Plan of Action 2009–2011, which takes into account the institution's Medium-Term Strategy (MTS) 2008-2012, OSAN and OSUS will undertake analytical work in gender and ARD in Africa and provide support in the following three intervention areas: (i) investment activities that promote women's economic empowerment in the Bank's key strategic priority areas; (ii) institutional capacity-building and knowledge building both at the Bank and for RMCs; and (iii) RMC governance and policy reform to improve gender mainstreaming in the national development process. The Bank will also intensify progress monitoring through the development and use of gender statistics in ARD.

After the successful implementation of its Gender Plan of Action, IFAD has mainstreamed gender in its programmes and issued administrative guidelines for this purpose. Overall, IFAD's self-assessment shows that performance in terms of gender had improved in completed projects. Nevertheless, IFAD Management is committed to prioritizing gender mainstreaming in its projects and programmes and awaits the results of the assessment currently being undertaken by IFAD's Office of Evaluation. Once the evaluation findings are made available, IFAD's Executive Board will consider the need to develop a corporate policy on gender.

Borrower performance

The evaluation identified shortfalls in the capacity of governments to implement projects and programmes effectively and to ensure that benefits are sustainable following project completion. Such problems affect the implementation of projects across all sectors. Management agrees with the evaluation finding that the capacity of borrowing member governments is a critical factor and has the greatest impact on project performance.

Management will therefore increase its support to governments to undertake capacity needs assessments and strengthen institutions in the ARD sector, while also promoting knowledge-sharing. In line with the Bank's MTS, OSAN will work closely with the Human Development Department to develop the provision of agricultural training in higher education and through technical and vocational training establishments.

In this context, the Management of both institutions underscores the call to mobilize readily accessible funding to finance substantial high-quality sector studies to support policy and project development at the RMC level and generally to enhance the available knowledge base. This kind of fund would be relevant to the work of both institutions, which currently lack such a facility.

The Bank's African Development Institute will also be charged with providing targeted support to RMCs (such as fragile states) to bolster the capacity of borrowers to implement investment operations in a timely manner.

Strategic partnership

The report describes the past partnership between AfDB and IFAD as opportunistic, rather than strategic and based on comparative advantages and proven specializations. Comparative advantages have been reflected in many country programmes. Management acknowledges that past attempts at this partnership have not been as successful as originally envisaged, but describing it as opportunistic is inaccurate. However, efforts will be made to address the shortcomings as outlined in the report by developing thematic areas of collaboration and regional collaboration pacts.

Management recognizes the need to continue dialogue with other partners at the country level (working through the donor agriculture working groups in countries where they exist), to support governments and other stakeholders in developing sound, national results-based ARD policies and programmes. Both institutions will continue to collaborate in line with the memorandum of understanding, and will work with other partners in a more strategic manner, bearing in mind the division of labour and the comparative advantage of each institution.

The report recommends that the two institutions should issue a joint statement of support for CAADP, and ensure that their policies and operations are clearly aligned with CAADP's policy pillars. The common position of the two institutions has already been stated.

In the past, the two institutions have designed complex multicomponent projects incorporating multiple activities in an effort to combat poverty. Such projects become difficult to manage while resources are thinly distributed, which calls for strategic partnerships allowing different agencies to tackle different aspects of development programmes in a coordinated manner and with a well-defined division of labour among partners.

The report rightly notes that the Bank and the Fund have recently begun to address this issue through the design and preparation of simpler, more clearly focused projects. However, Management considers it crucial to the success of such projects that governments buy into the concept of the division of labour among development partners. Therefore this matter will be brought to the fore in future country dialogue missions.

Management accepts the recommendation regarding the need for both institutions to maintain and extend their current bilateral partnership, based on the memorandum of understanding signed by the two parties in 2008, setting a limited number of precise, strategic regional priorities, backed by a clear action plan and adequate resources. The Bank and the Fund will review the current memorandum of understanding and prepare the necessary addendum.

Conclusion and way forward

Management awaits the Executive Board's discussion of the joint evaluation report and Management's response, and subsequent guidance on the way forward.

Response of the Bank Management

In line with the Bank's MTS, the Africa Food Crisis Response approved in July 2008 identified the main areas of intervention in the agricultural sector for AfDB both in the short term and in the medium and long term. The Bank will continue to focus on supporting agriculture-related rural infrastructure, agriculture water development, reduction in post-harvest losses, capacity-building and climate change mitigation.

The report cites African economists[52] who have long emphasized the need to promote widely shared agricultural growth based on the 'Four Is': improving the investment climate, closing the infrastructure gap, promoting innovation and building institutional capacity. African states have not devoted adequate attention to these principles in their ARD activities, nor have these principles been the main drivers of cooperation in the sector. These are principles shared by the Bank as they are in line with its MTS, but they also constitute a realistic path towards invigorating African ARD. Accordingly, the Bank has begun tilting the design of its operations in this direction and will carry this orientation further in its future lending activities.

Official development assistance has a major role to play in nurturing ARD. To exploit the potential of the sector, the policy environment must be increasingly favourable. It is important to ensure that adequate incentives are provided and that sufficient public goods are delivered by governments. This will also entail filling the large policy, institutional and leadership gaps that currently exist in most countries of the region, and calls for strong and effective partnerships among the public, private and voluntary sectors if such shortcomings are to be addressed sustainably.

The Bank Management assures all stakeholders that the Bank will continue to remain directly engaged in ARD, but will develop a more selective strategy that is closely linked to the Bank's medium-term priorities and aligned with CAADP. The Bank's new generation of projects falls largely under pillars I and II of the CAADP initiative, where pillar I consist of extending the land area under sustainable management and reliable water control systems and pillar II consists of Improving rural infrastructure and trade-related capacities to increase market access. These goals are in line with the Bank's MTS. The Bank is currently preparing its agricultural sector strategy, which is scheduled for presentation to the Board's Committee on Development Effectiveness by mid-December 2009. As recommended by the report, a major communication campaign will be mounted to inform key stakeholders, particularly African leaders and donors who support the Bank's strategic objectives in the sector, of the strategy. Increased resources are being assigned to the Bank's External Relations and Communication Unit so that it can conduct an institutional communications campaign that responds to the communication needs of the revised agriculture strategy.

The evaluation recommends that the Bank ensure that sufficient human and financial resources are allocated for effective implementation of the revised strategy while seeking to leverage further funding from the private sector, private donors, Arab States and emerging donors including Brazil, China, India and the Republic of Korea. Steps should also be taken to ensure provision of adequate resources to regional member countries and operational departments to pursue analytical work and sector studies. Management will work with other partners and ensure that financing needs expressed by RMCs consistent with the Bank's agriculture sector strategy and approved work programme are satisfied. Furthermore, Management recognizes the importance of economic sector work for quality-at-entry of operations and the knowledge agenda of the Bank. As such, Management will consider available financing options, including mobilization of substantial Trust Fund resources and other funding sources.

Response of IFAD Management

IFAD Management recognizes the need to undertake more analytical work and policy dialogue in the context of Africa. It also believes, however, that institutions such as the World Bank and IFPRI are better suited to this kind of work. IFAD's current priority is to improve the development effectiveness of its projects and programmes in Africa, and the immediate impact of this type of work in this region may not be very high. Shifting resource allocations towards policy and analytical work at the cost of project and programme operations could be detrimental to IFAD's overall performance. Where the policy and analytical work is closely related to IFAD projects and programme strategy, the Fund would engage itself either directly or in partnership with other institutions. In any event, IFAD would be very selective in choosing the nature and scope of policy and analytical work. Finally, IFAD Management agrees that such policy and analytical work will require the allocation of additional financial and human resources.

While IFAD's overall Africa programme is assigned to three administrative divisions, all three divisions are part of the same Programme Management Department and all three directors report to the Assistant President of this Department. In terms of programmatic coordination among these divisions, IFAD has not encountered any serious problems. In sharing knowledge and information and exchanging consultants, the context specificity and language differences sometimes create barriers.

52/ Ndulu, B. et al. (2007). Challenges of African Growth: Opportunities, Constraints and Strategic Directions. Washington D.C., World Bank.

The Western and Central Africa and Eastern and Southern Africa Divisions are already working on a joint knowledge management activity linking FIDAFRIQUE (West Africa) and IFADAFRICA (Eastern and Southern Africa), to improve the management of knowledge both within and among the regions. IFAD Management is aware of the need to rotate staff, not only among divisions that implement its programme for Africa but more generally; such needs are being considered as part of IFAD's human resource reform programme. IFAD Management considers any opportunity to share knowledge or to cross-fertilize lessons learned an important means of enhancing its development effectiveness and will continue to pursue this approach in the context of Africa as well.

Under its performance-based allocation system, IFAD Management allocates programmatic resources differentially in post-conflict countries. Along with other factors, income plays a role in allocation and low-income countries receive a larger proportion of resources. In allocating administrative resources, programme size is a major consideration and thus indirectly differentiates in favour of low income countries. It is also worth noting, however, that differential allocation should not penalize performance. This may have the effect of lowering IFAD's overall performance by reducing performance in places where the development effectiveness of IFAD's resources is higher. If such an approach is implemented using additional resources, then it can certainly improve overall performance.

Annex I Action plan

	Description of recommendation	Proposed action
Filling the sector policy gap (AfDB/IFAD)		
1	Step up support to CAADP in implementing its mandate, and provide a joint statement of support for CAADP.	The Bank and IFAD Managements affirm their support for CAADP's policy pillars and promote country-led CAADP processes.
2	At the country level, support the development of sound national ARD policies focused on results that are aligned with the CAADP policy framework and the commitments of the Maputo Declaration. In line with a country-led approach, wherever possible the two institutions should align their ARD strategies and business plans with national sector policies and strategies.	AfDB and IFAD believe that RMCs should exercise leadership over their development policies and plans and commit to making available resources to support such efforts. They also believe that achieving the targets set under the Maputo Declaration is critical for bringing about improvements in the agricultural and rural sector.
3	At the level of global policy, develop knowledge and capacity to engage in international advocacy on trade issues affecting African producers.	AfDB and IFAD propose working closely with the African Union/CAADP and the regional economic commissions (with the African Union taking the lead role) to adopt common positions when negotiating on trade issues in international forums.
Improving performance		
	(i) Lender performance (AfDB/IFAD)	
4	Increase and strengthen country presence.	Both institutions support the call for strengthening country presence and efforts are ongoing to this end.
5	Finance simpler, more sharply focused projects and programmes, to be undertaken within the framework of coordinated sector plans.	The report acknowledges that AfDB and IFAD are moving in this direction. Significant improvements have been made in AfDB and IFAD's operating model has changed markedly.
6	Provide increased support to ARD in fragile states, with specific attention being devoted to the choice and sequencing of aid modalities.	AfDB will continue to provide increased support to ARD in fragile states and IFAD is committed to improving its development effectiveness in fragile states.
7	Build increased skills, knowledge and capacity in the areas of policy, analytical work, knowledge management and managing partnerships.	Engaging institutions that are better placed in the agriculture policy arena - IFPRI - would be more appropriate. IFAD has already provided a large grant to IFPRI. In the area of natural resource management, the Bank will seek to deepen relationships with leading agencies, such as the International Union for Conservation of Nature.
	(ii) Borrower performance	
8	AfDB and IFAD should, in collaboration with other institutions, support governments in undertaking capacity needs assessments in the ARD sector, and provide substantial support for capacity-building and institutional development, including gender mainstreaming. The two institutions should also support similar work for decentralized institutions.	AfDB and IFAD Managements will increase their support to governments in undertaking capacity needs assessments and in building institutions. Both institutions support the call to re-establish/create technical assistance funds. Realizing that despite progress there is a room for improvement in gender mainstreaming and women's empowerment, both institutions commit themselves to accord priority to this area.

	Description of recommendation	Proposed action
Building purposeful partnerships		
9	Maintain and extend the current bilateral partnership, based on the memorandum of understanding of 2008, setting a limited number of precise, strategic regional priorities. It should focus on the respective comparative advantages and specializations, complementarity, and increasing the emphasis on results.	AfDB and IFAD Managements recognize the need for both institutions to maintain and extend their current bilateral partnership, based on the memorandum of understanding signed by both parties in 2008. The Bank and the Fund will review the current memorandum of understanding and prepare the necessary addendum.
10	At the regional level, take forward their partnership within the wider partnership around CAADP, and in support of CAADP.	Agreed. See point 1.
Recommendations for AfDB		
11	Remain directly engaged in ARD, but develop a more selective strategy, closely linked to the Bank's medium-term priorities and aligned with CAADP.	Agreed
12	Following approval of a revised strategy, AfDB should mount a major communication campaign to inform African leaders and other sector donors of the Bank's strategic objectives in the sector.	The Bank's strategy will be presented to the Board in December 2009. A campaign will be launched with the support of the External Relations and Communication Unit.
13	Ensure that sufficient human and financial resources are allocated for effective implementation of the revised strategy while seeking to leverage further funding from the private sector, private donors, Arab States and emerging donors including Brazil, China, India and the Republic of Korea. Steps should also be taken to ensure provision of adequate resources to regional members countries and operational departments to take forward important analytical work and sector studies.	Management will work with other partners and ensure that financing needs expressed by RMCs for investments, analytical work and sector studies are addressed.
Recommendations for IFAD		
14	Engage more strategically in analytical work and allocate additional resources both in financial terms and in building staff capabilities. This calls for additional financial and human resources.	In some countries where sector strategies are weak, IFAD, either directly or through partnerships, could undertake policy and analytical work on a very selective basis. Additional financial and human resources need to become available for this.
15	Plan selected joint activities between the divisions such as a knowledge programme to cross-fertilize lessons learned, best practices and experiences, along a proactive policy for exchanging staff and consultants.	IFAD Management will continue pursuing cross-fertilization. It is working on an approach to make the workforce more mobile including through internal rotation and secondments both in and out of the organization, which will also benefit regional divisions serving Africa.
16	Differentiated allocation levels of administrative resources for fragile states and low-income countries.	The current system allows some differentiation in the allocation of programme-related resources, and consequently in the allocation of administrative resources.

Annex II Key output targets for 2010

Key outputs and indicator	2008-2009 actions (baseline)	2010 target
1. Cofinancing		
1.1. Joint project identification, design and approval (number of countries in total)	• 4 countries - Benin, Liberia, The Gambia and Ghana	• 5 countries (to be identified in early 2010)
1.2. Amount cofinanced	• AfDB- US$124.8 millions • IFAD- US$45.2 millions • **Total US$170 millions (UA 111 millions)**	• Each institution to increase the amount cofinanced by a minimum of 15 per cent above baseline
2. Supervision		
2.1. Number of joint supervision missions undertaken	• 3 missions (Benin, Mozambique and Sierra Leone)	• Jointly supervise all cofinanced operations starting in 2010 (there are six such operations currently)
3. Enhanced and shared analytical work		
3.1. Increase in relevant analytical work, either directly or through partnership arrangements	• Targets not set for 2008-2009	• IFAD/AfDB to collaborate in carrying out three economic sector work activities using IFAD grant resources
3.2. Share analytical work in a mutually beneficial manner	• Targets not set for 2008-2009	• IFAD and AfDB working group to jointly identify issues for further analyses, when needed and share outputs on regular basis
4. Corporate knowledge sharing and innovation		
4.1. Partnership coordinator	• None	• A coordinator to be appointed in 2010 to manage the partnership
4.2. Share information broadly on a regular basis	• Collaborate in the advocacy and financing of major continental initiatives in favour of agriculture and food security: the Agriculture Development Fund, the Migration and Development Trust Fund, the Africa Fertilizer Financing Mechanism, and others.	• Both institutions have appointed focal points to regularly exchange information on project and country strategy pipelines and share results for ongoing and completed portfolios
4.3. Staff exchange programme	• None	• Undertake a staff exchange programme starting in 2010 for 1-to-2-year deployment periods

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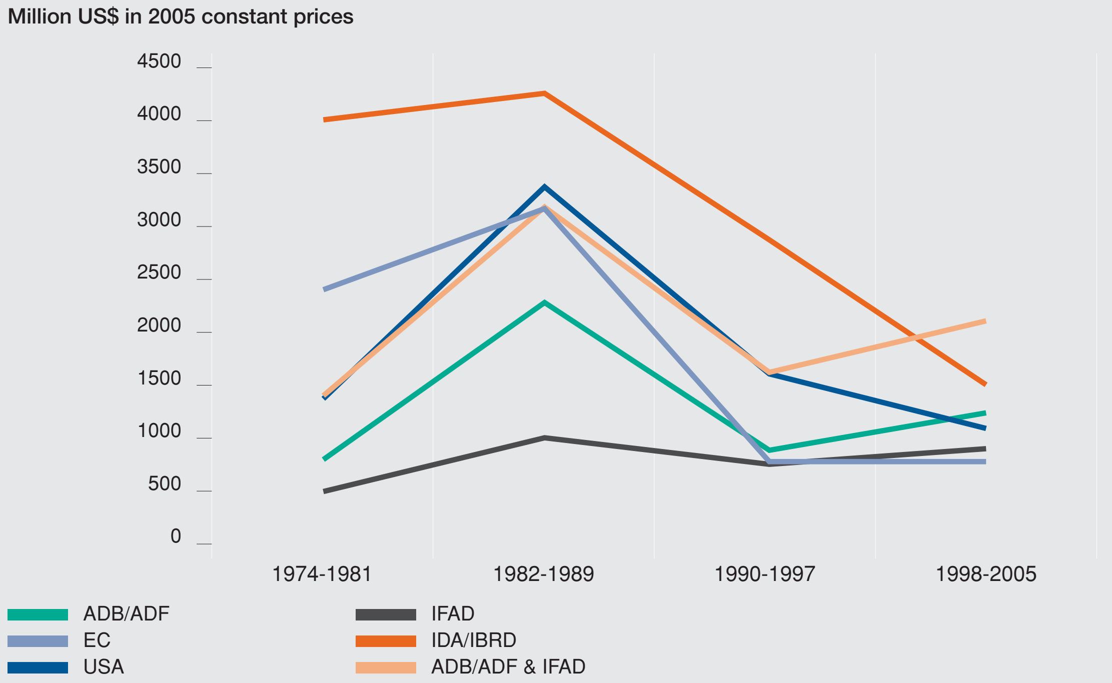
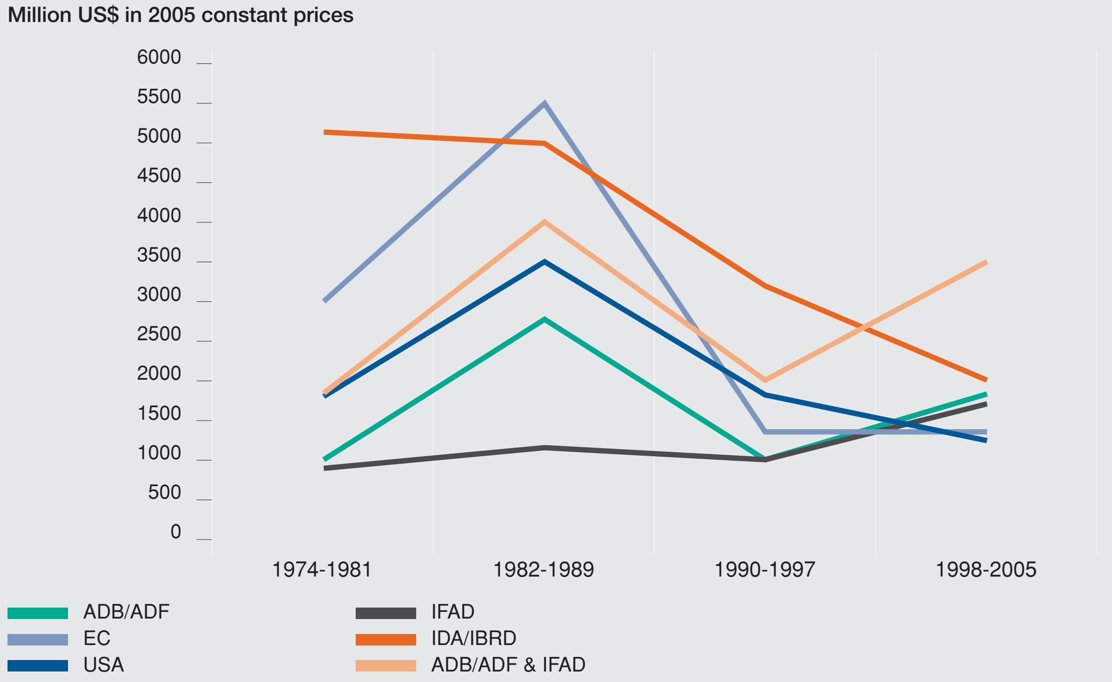
Official development assistance to Africa

Appendix 4 - Figure 1 **Official development assistance to agriculture, 1974-2005**



Source: OECD-DAC Creditor Reporting System. See http://stats.oecd.org/Index.aspx?DatasetCode=CRSNEW

Appendix 4 - Figure 2 **Official development assistance to agriculture and rural development, 1974-2005**



Source: OECD-DAC Creditor Reporting System. See http://stats.oecd.org/Index.aspx?DatasetCode=CRSNEW

Definition of the evaluation criteria used in the joint evaluation

Appendix 5

Appendix 5 Definition of the evaluation criteria used in the joint evaluation

Criterion	Definition[53]
Project performance	
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project coherence in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Poverty impact	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
Household income and assets	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
Human and social capital and empowerment	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, and the poor's individual and collective capacity.
Food security and agricultural productivity	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
Natural resources and the environment	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment.
Institutions and policies	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
Other performance criteria	
Sustainability	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
Promotion of pro-poor innovation, replication and scaling up	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
Overall project achievement	This provides an overarching assessment of the project, drawing on the analysis made under the various evaluation criteria cited above.

Appendix 5 (continued) **Definition of the evaluation criteria used in the joint evaluation**

Criterion	Definition[53]
Performance of partners IFAD Government Cooperating institution NGO/community-based organization	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.

53/ OECD/DAC. 2002. *Glossary of Key Terms in Evaluation and Results-Based Management*. Available at: http://www.oecd.org/dataoecd/29/21/2754804.pdf. Also OE's *A Methodological Framework for Project Evaluation,* agreed with the Evaluation Committee of the Executive Board in September 2003.

Comparison between the 1978 IFAD/AfDB cooperation agreement and 2008 memorandum of understanding

Appendix 6

Appendix 6 Comparison between the 1978 IFAD/AfDB cooperation agreement and 2008 memorandum of understanding

	Cooperation agreement 1978	Memorandum of understanding 2008
Goal	Promote the common goal of IFAD and AfDB in countries of common membership	Promote the common goal to reduce rural poverty and hunger, enhance capacities of the rural poor people, promote rural business linkages, and support good governance
Objective	IFAD is desirous of using the services of AfDB for carrying out part of its identification, preparation and appraisal work and for the purposes of loan administration	To join efforts and resources of both institutions towards enhancing aid effectiveness as highlighted in the Paris declaration: twin aims of enhancing effectiveness and efficiency of their combined development assistance to foster greater ownership by client countries
Modalities	Identification and preparation of projects Bank services for projects to be financed by IFAD (appraisal, loan negotiations, loan administration, cofinancing, review and monitoring by IFAD, post-evaluation)	a) Exclusive financing by IFAD with AfDB providing services as project administrator b) Joint financing c) Arrangements for joint projects appraisal, loan negotiations, approval and administration
Themes		Cofinancing of development activities Private-sector promotion and microfinance Capacity-building Poverty reduction strategies Good governance Joint intervention in post-conflict and fragile states Staff exchange programmes Joint project cycle activities Cross-cutting issues such as HIV/AIDS, energy and environment, and gender Information exchange Other sectors of partnership as may be agreed
Sectors		Agriculture and rural development Private-sector development and microfinance Rural infrastructure Small-scale community energy facilities
Implementation	Assistance through field work or office work	Conduct joint missions Engage in dialogue Organize knowledge events Collaborate in training Provide biannual reports Create technical networks
Reporting	From time to time	Meet at least twice a year
Costs	IFAD shall reimburse AfDB for the additional costs of the services performed by AfDB on behalf of the Fund	Shall be borne by one or both parties in accordance with agreements to be reached by the parties in advance of the implementation of the activities concerned

Performance of the AfDB–IFAD partnership

Appendix 7

Appendix 7 Performance of the AfDB–IFAD partnership

Parameters for assessment: core dimension of collaborative arrangements and principles of good partnership management	Overall account of experience of AfDB–IFAD collaborative working (1978-2008)
Organizational setup: Evidence of complementarity of partners, clear division of roles and functions, administrative structure for coordination, harmonised procedures?	**Weak** (now being actively examined)
Partnership strategy: Evidence of a focus on concrete results and alignment of activities to outcomes, regular performance reviews, alignment with recipient governments' priorities, partners perceive benefits arising outweighing costs?	**Weak** (current dialogue has a stronger orientation on results)
Partnership governance: Evidence of clarity of responsibilities and rules of engagement within the partnerships including dispute settlement, accountability mechanisms established?	**Weak** (yet to mature to this extent)
The partnership process: *How have the different actors interacted and learnt in the partnership?*	
Formal interaction: Evidence of the availability of the two partners to interact post-signature on the agreement, partnership activities forming an integral part of the member organization's own agenda, a structure regular policy dialogue between the two partners, use of communication tools enabling continuous information flow among partners and between the partnership and its designated area of activity?	**Fair** (earlier efforts now surpassed by recent MoU initiative)
Partnership culture: Evidence of a sharing and understanding of each other's incentives, constraints and assets and ac channelling of the learning on diversity into the partnership process, specific measures taken to promote ownership and commitment among the partners, recognition of the assets and competencies their counterparts bring into the partnership?	**Weak** (earlier weaknesses and distance arising now being addressed)
Learning and innovation: Evidence of feedback mechanism on the results of partnership activities established by the partnership, the partnership providing space for the sharing and development of innovative approaches, organizational learning across the partnership as a defined goal and with specific activities?	**Weak** (but improving)
The partnership performance: *What are the results achieved in terms of outcome and sustainability?*	
Relevance of objectives and of the partnership: Evidence of partners and stakeholders clearly articulating what the exact partnership objectives are, extent to which these are explicitly aligned with the overall purpose of the partnership, the necessity for and value for money arising from tackling a particular development problem through a collaborative endeavour?	**Weak** (but investing in sharpening this)
Effectiveness and efficiency: Evidence of the degree to which the partnership achieved its stated objectives (outputs and intermediate outcomes), monitoring of operational costs and the transaction costs of the partnership activities, transaction costs are considered in adequate relation to the benefits arising from the partnership?	**Fair** (cofinancing levels), **Weak** (supervision role)
Impact and sustainability: Evidence of positive changes in the designated area of action the partnership was/is contributing to, partners achieving their own individual goals and objectives through the partnership, the rationale for the partners remaining committed to staying engaged with the partnership?	**Weak** (rationale and related modalities for partnering being re-examined)

Projects cofinanced by IFAD and AfDB, 1978-2009

Appendix 8

Appendix 8 Projects cofinanced by IFAD and AfDB, 1978-2009 (sorted by approval date, latest first)

No.	Country	Project	Approval	Completion	Status	AfDB
			Dates as reported by IFAD, may differ for AfDB			
		Projects approved since 1990				
1	Ghana	Rural and Agricultural Finance Programme	17/12/08	n/a	not yet signed	4.94
2	United Republic of Tanzania	Agricultural Sector Development Programme	17/12/08	n/a	ongoing	59.87
3	Madagascar	Support to Farmers' Professional Organizations and Agricultural Services Project	11/09/08	n/a	signed (IFAD only)	8.20
4	Djibouti	Programme for the Mobilization of Surface Water and Sustainable Land Management	13/12/07	n/a	ongoing	0.28
5	Ghana	Northern Rural Growth Programme	13/12/07	n/a	ongoing	61.22
6	Uganda	Community Agricultural Infrastructure Improvement Programme	12/09/07	n/a	ongoing	43.83
7	Gambia (The)	Participatory Integrated Watershed Management Project	21/04/04	n/a	ongoing	7.08
8	Mozambique	Rural Finance Support Programme	17/12/03	n/a	ongoing	5.45
9	Burkina Faso	Community Investment Programme for Agricultural Fertility	11/09/03	n/a	ongoing	7.48
10	Ghana	Rural Enterprises Project – Phase II	05/09/02	n/a	ongoing	10.01
11	Swaziland	Lower Usuthu Smallholder Irrigation Project – Phase I	06/12/01	n/a	ongoing	12.68

IFAD	Others	Gov./ Benef.	TOTAL	Multi-donor	Other cofinanciers/ IFAD supervision	Comments
		Millions of United States dollars				
5.99	17.661	13.28	41.87	M	IDA cofinanced/ World Bank supervision	IFAD-initiated and approved; IDA and AfDB mentioned as possible cofinanciers; follows up on cofinanced RFSP of 2000
36.00	167.79	51.90	315.56	M	IDA and others	Agric. SWAp; parallel financing with number of other donors
19.19	19.689	9.32	56.39	M	IFAD direct supervision	IFAD-initiated and approved; EU, AfDB and AFD mentioned as possible cofinanciers; AfDB PROJER II
3.00	2.172	6.18	11.64	M	UNOPS	African Water Facility; scaling up of IFAD project
22.73	0	19.61	103.55		IFAD direct supervision	Initiated by IFAD after long-term engagement in northern Ghana; AfDB invited by Government as major cofinancier; separate appraisals
15.01	0	6.12	64.97		IFAD direct supervision	AfDB-originated; 2005 sector study, followed up by appraisal mission; IFAD has indicated support
7.09	0	3.37	17.53		AfDB supervision	Nigerian Trust Fund
9.46	16.35	3.05	34.31	M	IFAD direct supervision	AfDB SAR mentions parallel financing of IFAD in RUFIP project; IFAD-initiated; AfDB provided complementary funds
12.07	1.006	6.32	26.87		IFAD direct supervision	IFAD-initiated
11.25	0	8.02	29.27		IFAD direct supervision	Follow-up on earlier REP-I to replicate in more areas; joint mission for REP-II with IFAD
14.96	51.499	31.45	110.59	M	IDA, IFAD direct supervision	Joint appraisal by all donors; originated from EU project

Appendix 8 (continued) Projects cofinanced by IFAD and AfDB, 1978-2009 (sorted by approval date, latest first)

No.	Country	Project	Approval	Completion	Status	AfDB
			Dates as reported by IFAD, may differ for AfDB			
		Projects approved since 1990				
12	United Republic of Tanzania	Agricultural Marketing Systems Development Programme	06/12/01	n/a	ongoing	14.46
13	Benin	Participatory Artisanal Fisheries Development Support Programme	06/12/01	n/a	ongoing	10.01
14	Ethiopia	Rural Financial Intermediation Programme	06/12/01	n/a	ongoing	37.50
15	Ghana	Rural Financial Services Project	03/05/00	30/06/00	closed	5.01
16	Uganda	Area-Based Agricultural Modernization Programme	08/12/99	n/a	closed	13.20
17	Cameroon	National Agricultural Research and Extension Programmes Support Project	10/09/98	31/12/02	closed	10.31
18	Gambia	Lowlands Agricultural Development Programme	12/04/95	31/12/04	closed	5.68
19	Malawi	Agricultural Services Project: Smallholder Food Security Sub-Project	15/09/93	31/03/00	closed	12.69
20	Guinea	Second Siguiri Rural Development Project	04/09/91	31/03/97	closed	9.59
21	Morocco	Livestock and Pasture Development Project in the Eastern Region	19/04/90	31/12/01	closed	14.20
22	Rwanda	Byumba Agricultural Development Project – Phase II	01/10/90	30/06/01	closed	6.47
23	Burundi	Bututsi Agro-Pastoral Development Project	29/11/88	31/12/04	closed	8.96
24	Cape Verde	Artisanal Fisheries Development Project	02/12/87	30/06/95	closed	5.7

IFAD	Others	Gov./ Benef.	TOTAL	Multi-donor	Other cofinanciers/ IFAD supervision	Comments
		Millions of United States dollars				
16.35	5.573	5.92	42.30	M	IDA, IFAD direct supervision	
10.01	0	5.98	25.99		IFAD direct supervision	IFAD-initiated; FAO Investment Centre-designed; Joint appraisal mission (IFAD/AfDB)
25.69	0	25.54	88.73		World Bank supervision (but not IDA cofinanced)	IFAD/AfDB & commercial banks
11.00	5.133	1.82	22.96	M	IDA, IFAD direct supervision	Parallel financing; World Bank /IFAD-initiated (pre-appraisal); AfDB takes component (institutions)
13.20	30.6	4.20	61.2			IFAD-initiated as AAMP; appraised and approved by IFAD; Gov. invited AfDB to participate in feeder road component & IFAD agreed; AfDB appraised
10.52	15.138	10.12	46.08	M	IDA cofinanced /World Bank supervision	World Bank/IFAD-initiated; AfDB covers agric. research component
5.06	0	0.92	11.66		IFAD direct supervision	Based on long-term IFAD/AfDB cofinancing of rice development in The Gambia
13.00	45.72	7.72	79.14	M	UNOPS	
12.48	0	4.89	26.97		AfDB supervision	Irrigation project; second phase
14.00	0.88	17.90	45.22		AfDB supervision	Livestock project; jointly appraised by IFAD and AfDB
8.73	0	4.30	19.50		AfDB supervision	Follow-up from an earlier IFAD/AfDB-cofinanced project
8.96	0	1.85	19.77		AfDB supervision	
5.7	1.1	1.9	14.4		AfDB supervision	

Appendix 8 (continued) **Projects cofinanced by IFAD and AfDB, 1978-2009 (sorted by approval date, latest first)**

No.	Country	Project	Approval	Completion	Status	AfDB
			Dates as reported by IFAD, may differ for AfDB			
		Projects approved since 1990				
25	Guinea	Gueckedou Agricultural Development Project	04/09/85	31/12/91	closed	6.3
26	Liberia	Bong County Agricultural Development Project II	04/04/84	30/06/88	closed	2.672
27	Guinea-Bissau	Tombali Rice Development Project	21/04/82	30/06/93	closed	6
28	Botswana	Arable Lands Development Programme – Phase I Project (ALDEP I)	17/12/81	31/12/92	closed	7.56
29	Gambia (The)	Jahaly and Pacharr Smallholder Project	17/12/81	31/12/91	closed	5.1
30	Sierra Leone	Northern Integrated Agricultural Development Project – Phase II (NIADP II)	22/04/81	30/09/87	closed	8.5
31	Rwanda	Byumba Rural Development Project	17/12/81	31/12/89	closed	11.3
32	Dem. Rep. of the Congo	Smallholder Maize Project	17/09/80	31/12/89	closed	6.4
33	Sudan	New Halfa Irrigation Rehabilitation Project	07/05/80	30/06/88	closed	10
34	Guinea	Siguiri Rural Development Project	12/05/80	06/30/92	closed	9.1
35	Burundi	East Mpanda Rural Development Project	18/12/79	31/12/92	closed	9.5
36	Central African Republic	Livestock Development Project	27/03/79	31/03/86	closed	3.3
37	Somalia	Bay Region Agricultural Development Project	18/12/79	30/09/88	closed	8.9
38	Cape Verde	Assomada Integrated Agricultural Development Project	11/12/78	31/12/83	closed	2.084

IFAD	Others	Gov./ Benef.	TOTAL	Multi-donor	Other cofinanciers/ IFAD supervision	Comments
Millions of United States dollars						
5	6.6	6.5	24.4	M	IDA cofinanced /World Bank supervision	
5.8	4.55	0.608	13.63	M	IDA cofinanced /World Bank supervision	
8	1.1	1.2	16.3			
7.57	8.84	5.42	29.39	M	AfDB supervision	
5.22	5.65	1	16.97	M	AfDB supervision	
5.985	10.5	2.7	27.685	M	IDA cofinanced /World Bank supervision	
11.22	0	2	24.52		AfDB supervision	
15	11	6.1	38.5	M	IDA cofinanced /World Bank supervision	
15.057	40	63.7	128.757	M	IDA cofinanced /World Bank supervision	
12.5	0	10	31.6		AfDB supervision	
14.5	8.75	9.7	42.45	M	AfDB supervision	
2.5	3	4.8	13.6	M	IDA cofinanced /World Bank supervision	
8	22.5	5.6	45	M	IDA cofinanced /World Bank supervision	
3.82	0	0.427	6.331		AfDB supervision	

Joint evaluation approach paper, inception report and evaluation framework

Appendix 9

Appendix 9 Joint evaluation approach paper, inception report and evaluation framework

A. Joint evaluation approach paper: http://www.ifad.org/evaluation/jointevaluation/docs/approach.pdf
B. Joint evaluation inception report: http://www.ifad.org/evaluation/jointevaluation/docs/inception.pdf

Joint evaluation framework: key questions

Intended results	
I. Overall goal	**Impact**
Overall ARD performance/Millennium Development Goals: Better agriculture and rural development performance in Africa to accelerate the achievement of the MDGs and other relevant sector goals.	- Enhanced rural incomes - Reduced poverty and inequality - Food security - Higher agriculture productivity and market orientation - Sustainability - Gender orientation
II. Strategic goal at IFAD and AfDB level	**Strategic questions**
More elevance and better performance in ARD: The purpose of the joint evaluation is to contribute to enhancing the relevance of AfDB and IFAD programmes in ARD in Africa and to improve their operational performance.	1. In what activities, sectors and subsectors should AfDB and IFAD concentrate future project and non-project operations to optimally support ARD in Africa? 2. How can the two institutions enhance their relevance, sector focus and operational performance in ARD through strategic partnerships and adapted business processes?
III. Outcomes at IFAD and AfDB level	**Strategic questions**
1. Enhanced sector policies, strategies and programmes. To develop and implement more relevant, effective and sustainable agriculture and rural policies, strategies and programmes at IFAD and AfDB through a forward-looking evaluation.	1. What are the ongoing and emerging challenges and opportunities for ARD in Africa? 2. Are the current ARD policies of IFAD and the AfDB appropriate to meet ongoing and emerging challenges? If not what changes are needed? How soon? And at what cost? Do such changes have organizational and/or capacity implications? 3. What are the relevance and synergies of AfDB's and IFAD's current ARD policies and regional strategies? 4. How far are these policies and strategies based on relevant evidence? How far (and how frequently) is evidence of performance drawn from monitoring, review and evaluation used to update policy and strategy? 5. Are IFAD and AfDB pursuing appropriate strategic choices in ARD with respect to subsector, geographic and thematic focus, target groups, enabling private investments, selection of partner institutions, and the instruments deployed? In view of their corporate goals, of international commitments, and of overall development effectiveness? 6. What have been the factors driving the success or failure by IFAD and the AfDB at the country programme level and in country policy dialogue? 7. What are the policy directions being pursued in African ARD by other key players, such as African governments, regional and subregional institutions (NEPAD, et al.), United Nations organizations and other multilateral and bilateral donors (World Bank, EC, United States, France, et al.), civil society, international foundations, and non-regional member states (e.g. Brazil, China and India). And where do the AfDB and IFAD fit in?

Appendix 9 (continued) Joint evaluation approach paper, inception report and evaluation framework

III. Outcomes at IFAD and AfDB level (continued)	Strategic questions
2. Stronger strategic partnerships. To strengthen strategic partnerships between AfDB, IFAD and others in ARD in Africa through harmonizing policies, aligning operations, and exploiting complementarities and comparative advantages.	1. How can IFAD and the AfDB scope and define their future roles in ARD in the new aid architecture in light of the Rome and Paris Harmonization and Partnership Agreements? 2. How should the two institutions position themselves in ARD, based on their absolute and relative comparative advantages? 3. How useful is the longstanding partnership agreement between AfDB and IFAD in furthering their common objectives? And what is the potential for future collaboration between the two organizations? 4. Who are preferred other partners for project work, sector-wide programmes and analyses (SWAps, non-project sector work), and policy coordination? What form could these partnerships take? 5. How can AfDB and IFAD contribute to the coordination and harmonization of ARD policies in Africa and to the measurement of (joint) results?
3. Enhanced sector know-how. To generate a better understanding of and know-how on what does and does not work in ARD in Africa, as well as the reasons behind it, tailored to IFAD and AfDB corporate interests, goals and sector priorities.	1. What was the performance of AfDB and IFAD in projects, policy and sector work? To what extent have results been sustainable? What lasting contributions have the two organizations made? 2. How did AfDB and IFAD perform in key (sub) sectors within ARD? Have actions and results been consistent with the relevant policies and strategies? How could performance be improved? 3. How has performance been comparable to that of other donor organizations? 4. Why was performance as it was? What factors best explain the development effectiveness and impact of the two agencies' policies and projects in relation to their stated corporate goals in the sector? 5. What have been key constraints in achieving developmental results? What risks materialized, and could they have been better mitigated in advance? 6. Have best practices been followed? 7. Are there more effective and efficient ways of achieving sector results? 8. What can IFAD and AfDB learn from others who are working in the sector? How effectively have the institutions brought in best practices and know-how?
4. Improved business processes. To adapt AfDB and IFAD business processes, if necessary, to the new challenges and opportunities for ARD in Africa, in particular, to better operate as partners; in terms of adapted programme and project cycles, M&E, appropriate human resource management, and other institutional processes and structures.	1. How have business and management processes at AfDB and IFAD contributed to their performance, impact and overall strategic objectives in ARD? What are the conclusions for the future? 2. How effective have business processes been in cofinancing and operating development partnerships? 3. To what extent are business processes sufficiently adapted for intrinsic sector requirements of ARD? 4. How could both institutions further improve their project and programme life cycles, in particular, quality-at-entry, implementation support and supervision, and results-oriented M&E? 5. What is the scope for improvement for IFAD and AfDB in their respective processes of strategy formulation and monitoring, country presence, and sector resource allocation? 6. How do human resources and their management in both organizations correspond to sector requirements? 7. Do IFAD and AfDB reserve and allocate adequate resources for business processes that could effectively support ARD operations in Africa? How far are such decisions based on explicit criteria and backed up by evidence?
5. A stronger learning and accountability culture. To generate an effective learning and accountability culture in both institutions through results-oriented operations and evaluations, excellent knowledge management, and effective internal and external communications.	1. What are scope and quality of self-evaluation and independent evaluation at IFAD and the AfDB? 2. How have past lessons learned in the sector (ARD) been incorporated in subsequent operations? 3. What are the key instruments for knowledge management at the two organizations? Are adequate resources allocated? Adequate incentives provided? 4. How effective is knowledge management in promoting innovations and scaling up successful operations? 5. To what extent do IFAD and AfDB managers and staff link and network with other organizations on principle sector issues? Are they regularly harvesting from others to bring in best practices and know-how? 6. How well are ARD sector results and achievements communicated internally and externally?

Good practice examples from recent AfDB/IFAD country strategies and project design

Appendix 10

Appendix 10 Good practice examples from recent AfDB/IFAD country strategies and project design[54]

Issues	AfDB	IFAD
Rural poverty focus	AfDB's country strategy paper (CSP) in Mozambique has compared AfDB's portfolio distribution per region with the poverty headcount per province and has recommended a greater focus on the northern provinces. In Burkina Faso, PADAP* will conduct a socio-economic survey, on the basis of which it will specify gender-specific performance indicators. In Kenya, AfDB's results-based frameworks have poverty specific indicators.	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 to address the causes of poverty. In Kenya, IFAD has reviewed the livelihood strategies of poor rural people, and selection of activities under projects specifically includes those that will be adopted by poor rural people. In Mozambique, the newer projects in IFAD's portfolio have improved their use of poverty outcome indicators.
Adaptation to country context and sectoral characteristics	In Kenya, AfDB has reviewed specific aspects of the sectoral context, such as land use and tenure policies, and has designed project interventions accordingly. In Nigeria, AfDB's interventions are based on a review of previous experience, carried out through a technical review of the National Programme for Food Security. 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 results matrix to illustrate how strategic interventions have been linked to relevant National Empowerment and Economic Development Strategy (NEEDS) pillars, thus highlighting their link to the broader contextual challenges identified.	In Rwanda, IFAD has carried out a SWOT analysis (strengths, weaknesses, opportunities, and threats) of key stakeholders to identify capacities and gaps. In Kenya, IFAD has reviewed previous experience and has introduced changes to enhance the operating environment (rolling audits, decentralized project management units, etc.).
Alignment with policy and governance frameworks	AfDB has aligned with national institutions in Burkina Faso, Kenya and Mozambique. 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 project management unit.	IFAD has aligned with national institutions in the United Republic of Tanzania, where IFAD loan and grant funds are distributed through the national treasury. Project coordination units (PCUs) are fully mainstreamed within the lead implementing government agency. M&E will also be carried out by private implementation partnerships and will conform to the poverty monitoring system of the National Strategy for Growth and Reduction of Poverty (MKUKUTA). Alignment is strong in Mozambique, where IFAD is supporting a component of the agricultural SWAp (PROAGRI).

* *Lake Tanganyika Integrated Regional Development Programme (LTIRDP) Support Project.*

Appendix 10 (continued) **Good practice examples from recent AfDB/IFAD country strategies and project design**[54]

Issues	AfDB	IFAD
	In Kenya, projects will be implemented by government institutions. For instance, the staff of the PCU of the Smallscale Horticulture Development Project (SHDP) will be deployed by the Government. The results-based framework is linked to the Investment Program for the Economic Recovery Strategy for Wealth and Employment Creation (IP-ERS). In Mozambique, CSP M&E mechanisms are based on the Absolute Poverty Reduction Support Program's Performance Assessment Framework matrix. Also in Burkina Faso, the Directorate of Cooperation within the Ministry of Finance coordinates international assistance. AfDB is working with the Government to develop a coordination strategy and to establish an operational M&E system.	IFAD projects in the Sudan aim at strengthening the capacity of the Government to facilitate equitable economic planning (Western Sudan Resources Management Programme – WSRMP). The most recent project, the Southern Sudan Livelihoods Development Project (SSLDP), seeks to establish planning and budgeting capacity where none exists. It supports the local development fund grant mechanism and provides a rationale for the proposed grant-making/ disbursement mechanism and its relevance in the post-conflict context.
Alignment with country public financial management (PFM) systems	In Morocco, AfDB has aligned its operations to the national procurement laws and regulations. In Mozambique, AfDB is committed to providing direct budget support. AfDB's strategy is to increase the percentage of support relying on government 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. In the United Republic of Tanzania, AfDB provides budget support for the poverty reduction strategy paper (PRSP). Based on a review of its experience in providing budget support, AfDB is now contributing to the Agriculture Sector Development Programme – Phase I (ASDP-I) basket fund. It will also use the medium-term expenditure framework (MTEF), district agricultural development plans, and grant transfers to strengthen existing government systems.	IFAD has aligned with PFM systems in Kenya, Mozambique and the United Republic of Tanzania. In Kenya, under the Smallholder Horticulture and Marketing Programme (SHoMaP), the annual budget will be sent to the Ministry of Agriculture for entry into the Ministry's MTEF and then into the Government's printed estimates. In Mozambique, the Agricultural Support Programme (ASP) harmonizes financial management procedures (procurement, disbursement, accounts and audit) under the National Programme for Agricultural Development (PROAGRI). In the United Republic of 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 flow of funds is channelled through the implementing ministry and aligned with the ministry's annual workplan and budget.
Harmonization	AfDB is committed to joint reviews in Mozambique. In the United Republic of Tanzania, it conforms to the Joint Assistance Strategy. AfDB's selection of regional interventions also conforms to the Government of the United Republic of Tanzania's strategy to allocate specific regions and districts to specific donors, as a means of streamlining donor intervention and avoiding overlap.	In Kenya, IFAD participates in donor coordination and sector working groups and it also aims to balance an increased field presence with its commitment to harmonization and alignment. In Mali, IFAD participates in coordination frameworks for the rural sector through the IFAD grant-funded Policy Dialogue Unit.

Appendix 10 (continued) **Good practice examples from recent AfDB/IFAD country strategies and project design**[54]

Issues	AfDB	IFAD
	In Burkina Faso, the establishment of a regional coordination committee is planned in order to create synergies. In Mozambique and Burkina Faso, the IFAD COSOP lists other ARD-sector donor activities and potential for synergy with IFAD.	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.
Targeting of beneficiaries	In Mozambique, AfDB has an explicit focus on gender, and project documents have a gender profile. In Nigeria, the profile of ultimate beneficiaries has been disaggregated by poverty, gender and HIV/AIDS, and specific measures to overcome gender inequality have been implemented under Support to the National Programme for Food Security (SNPFS). AfDB's projects will also be carried out in the southern states, where no other donor is implementing agricultural activities.	In Ghana, targeting takes into account geographical, sectoral 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. In Kenya, IFAD aims to enhance targeting by establishing a focal development area approach to improve geographical targeting. Target groups are disaggregated and activity selection is pro-poor. In Mali, the Northern Regions Investment (NRI) and Rural Development Programme distinguishes social groups and identifies aspects of vulnerability specific to each group. In Rwanda, the COSOP includes a matrix describing the poverty level and causes and the priority needs of each target group, and indicates IFAD programme responses. Target groups have been selected on the basis of the 2006 household survey. The Kirehe Community-based Watershed Management Project (KWAMP) discusses constraints on targeting women and proposes a gender mainstreaming approach. In the Sudan, SSLDP has clear targeting criteria based on an assessment of livelihoods and gender, and includes some safeguards to ensure more effective targeting. Also in the Sudan, WSRMP has effectively mainstreamed the participation of women in state and local extension offices and community development councils. Mainstreaming has been enabled through a strategy developed and elaborated at the PCU by the Women's Development Officer. In the United Republic of Tanzania, IFAD has disaggregated data on poor people and has identified causes of poverty. It has analysed the role of identified projects in contributing to poverty alleviation in rural areas in order to ensure that targeting is effective.

Appendix 10 (continued) **Good practice examples from recent AfDB/IFAD country strategies and project design**[54]

Issues	AfDB	IFAD
Stakeholder participation	In Burkina Faso, both projects in the portfolio aim to ensure stakeholder participation in all stages of the project cycle through a demand-led approach to project implementation by village development committees (VDCs). The Community Investment Project for Agricultural Fertility (PICOFA) has also ensured the active participation of local populations in diagnosis of the baseline situation. In Kenya, under SHDP, AfDB will focus on organizational aspects and the training of communities in participatory approaches and technical design preparation.	In Kenya, the demand-driven nature of the IFAD-funded SHoMaP ensures stakeholder participation. For instance, stakeholders in each district will determine the three horticultural crops that they consider most important in terms of their potential for poverty alleviation. The requirement that groups become legal entities in order to obtain project support is an important means of ensuring sustainability and effectiveness. A grass-roots approach based on the market-oriented dairy enterprise (MODE) process (farmer participation and empowerment, demand-driven service delivery, and partnerships), adopted under the Smallholder Dairy Commercialization Programme (SDCP), will facilitate sustainable participation by enabling smallholders to demand access to services at competitive prices. In Mali, IFAD's NRI programme envisages beneficiary participation at all stages, including M&E. Participation will build on local administrative capacity for pro-poor planning and policymaking. In Rwanda, the COSOP uses a community-based participatory diagnosis approach to actively involve communities in decision-making and monitoring.
Policy dialogue	In Nigeria, promoting and participating in dialogue is a key objective of the country office. AfDB will initiate dialogue with the Government through the NEEDS process and the Agriculture Policy Support Facility.	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 example, a component of the Rural Finance Programme aims to support Ghana's microfinance policy. In Kenya, IFAD has pinpointed specific aspects for 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). In Mozambique, the COSOP focuses on empowering poor rural people to play an active role in decision-making at local and national levels by supporting small-scale producer organizations and promoting local partnerships for development. In Nigeria, the field presence office established in 2006 will facilitate policy dialogue. The COSOP has identified issues for such dialogue and identified the main policy interlocutors. At the project level, the Rural Microenterprise Development Programme (RUMEDP) annual implementation review workshops will generate policy recommendations feeding directly into policymaking. 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. In the United Republic of Tanzania, the COSOP aims to facilitate stakeholder dialogue in the SWAp process, which will constitute the medium for dialogue.

Appendix 10 (continued) Good practice examples from recent AfDB/IFAD country strategies and project design[54]

Issues	AfDB	IFAD
Accountability	In Burkina Faso, each project will form a steering committee chaired by the relevant ministry and composed of the main implementing partners (including civil society representatives). In Rwanda, the Bugesera Agricultural Development Support Project's information management system is used to disseminate information about project performance. Quarterly reports are distributed to stakeholders.	In Mozambique, the ASP extension approach is based on demand-driven service provision and accountability to end users. Under the Rural Markets Promotion Programme (PROMER), processes will be put in place to systematically document, capture, analyse and disseminate learning from national market linkage projects and programmes, including PROMER. In Rwanda, two steering committees established under the Support Project for the Strategic Plan for the Transformation of Agriculture (PAPSTA) aim to ensure accountability at national and district levels. The national-level steering committee will be led by the Ministry of Agriculture, Livestock and Forests (MINAGRI), which will provide major policy guidance to the project and examine and approve annual workplans and budgets. At the district level, it will be led by local authorities.
Comparative advantage	In Morocco, AfDB has identified its comparative advantage as infrastructure development. It is leading in this area, while other donors are pulling out. It is not clear, however, what donor/ government input there has been in defining comparative advantage.	In Ghana, IFAD identifies its comparative advantage as building partnerships between the local and macro levels of decision-making. In Kenya, IFAD has carried out a SWOT analysis of its operations and has had discussions with donors and the Government to identify its comparative advantage. In the United Republic of Tanzania, IFAD has carried out a donor group mapping exercise to identify its comparative advantage, fill existing gaps and build on interventions.
Innovation	In the AfDB portfolio in Burkina Faso, both projects aim to scale up their initiatives. PICOFA will pilot-test activities and then fine-tune them before scaling them up using the community-driven development/local development fund (CDD/LDF) model piloted successfully by other agencies and projects.	IFAD COSOPs discuss innovation in most countries. This primarily relates to changes in operational style. For instance, in Kenya it refers to the use of private service-sector providers to enhance capacity-building. SHoMaP will pilot the innovative diagnostic use of market chains and refine these during the course of the programme. In Mozambique, ASP and PROMER have innovative features, including the institutionalization of knowledge management capacity within the Government and adoption of a country programme approach that will build partnerships and synergies within ongoing IFAD programmes. In Rwanda, pilot activities under the COSOP at community innovation centres will develop novel agricultural and environmental practices for nationwide dissemination. PAPSTA is expected to introduce innovative institutional and technological approaches, and grants will support the development of partnerships with NGOs and the private sector in developing innovative approaches. In the Sudan, WSRMP supports the resolution of conflicts over resources by establishing institutions for improved local government.

Appendix 10 (continued) Good practice examples from recent AfDB/IFAD country strategies and project design[54]

Issues	AfDB	IFAD
Field presence	AfDB's country office in Nigeria plays an important role in coordinating activities with other donors and in providing technical advice and guidance to executing agencies and project implementation units. Project documents specify supervision arrangements. The staff is being increased to enhance the capacity of the office.	In Rwanda, IFAD is directly supervising the new operation, KWAMP. Supervision will focus on the achievement of project objectives, innovation and methodological developments. IFAD has also established a country office in the United Republic of Tanzania and will do so in Kenya.
Knowledge management		In Ghana, knowledge-sharing and learning mechanisms include: FIDAFRIQUE (Internet-based regional network of IFAD operations); the Rural Development Hub, the Rural Poverty Portal and 'Learning Notes' that feed into IFAD learning; the Programme Development Implementation Partnership also plays an advisory, planning and partnership role. In Mali, the Policy Dialogue Unit will support knowledge management. The unit is responsible for information and knowledge development as well as for the sharing and dissemination of information and knowledge. The unit will draw on M&E data. In Mozambique, PROMER aims to collect information and feed it into regional knowledge networks such as those promoted by IFAD through its regional thematic programme on Strengthening Support Capacity for Enhanced Market Access and Knowledge Management and through FIDAFRIQUE. In Rwanda, IFAD will promote knowledge management through information systems connecting projects, local/national authorities and professional organizations, so that information on project achievements and lessons learned 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. In the United Republic of Tanzania, the Rural Micro, Small and Medium Enterprise Support Programme (MUVI) has developed a knowledge management strategy funded through grants. The strategy has two dimensions: "collecting" and "connecting". It will achieve these through new evaluation approaches such as: most significant change (MSC), outcome mapping (OM), and the knowledge harvesting approach. Knowledge management is established on a solid base from the start. For instance, it includes an audience research phase and 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.

Appendix 10 (continued) Good practice examples from recent AfDB/IFAD country strategies and project design[54]

Issues	AfDB	IFAD
		In Nigeria, the Rural Microenterprise 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; and policy review workshops.
Results-based management	In Mozambique, the thematic results framework shows how long-term strategic goals link to outputs and outcomes issues in priority sectors. In Nigeria, the thematic results matrix links the pillars of the CSP with those of the NEEDS. The matrix establishes a results chain between AfDB interventions, intermediate indicators, outputs and outcomes to be achieved under the CSP in order to contribute to Nigeria's long-term development objectives. In Rwanda, AfDB has aligned its results-based framework to that of the Government. 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 budget support arrangements. The project site maintains information on project performance.	In Mozambique, PROMER will set up a Planning, Monitoring and Evaluation (PM&E) Framework, which will track and verify achievements of programme outputs and outcomes. PM&E will be guided by the logical framework. In Rwanda, a country-programme-wide M&E system will be established and harmonized with information systems at the national level (including the Economic Development and Poverty Reduction Strategy's monitoring system and MINAGRI's information management system) and at the district level. This system will coordinate M&E activities across IFAD's portfolio. In the Sudan, the annual workplan and budget outlines links between outputs and project planning and budgeting. There is a dedicated budget for results-based M&E of US$265,000.
Sustainability	In Kenya, stakeholder ownership, income generation and demand-driven aspects of projects will facilitate sustainability. Similarly, in Mozambique, no new project management structure will be created under the Women Entrepreneurship Project. It will be managed through existing structures of the National Directorate for Women. Salaries of project staff are already included in national budgets. In Nigeria, SNPFS builds on local participation and the capacity of local institutions to respond to beneficiary needs to ensure sustainability. A comprehensive human resource development strategy will be developed, together with a handbook of institutional performance indicators, which will strengthen capacity for financial management to promote rational and efficient use of ministerial resources. Attention is also given to exit strategies – projects will be administered by permanent staff of the Federal Ministry of Agriculture and Rural Development, and recurrent costs will be met by the government budget.	In a number of IFAD portfolios, sustainability and exit strategies are based on stakeholder participation and ownership. For instance, in Nigeria, RUMEDP aims to promote full participation and commitment of stakeholders from the start of the programme; build the capacity of public and private sectors to continue providing services; and encourage beneficiaries to share costs. In Rwanda, sustainability and an exit strategy are 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 protection activities. In the Sudan, community subprojects are selected only where the proposals are accompanied by a clear explanation of how they will be operated and maintained by communal action and/or local tax revenues.

Appendix 10 (continued) **Good practice examples from recent AfDB/IFAD country strategies and project design**[54]

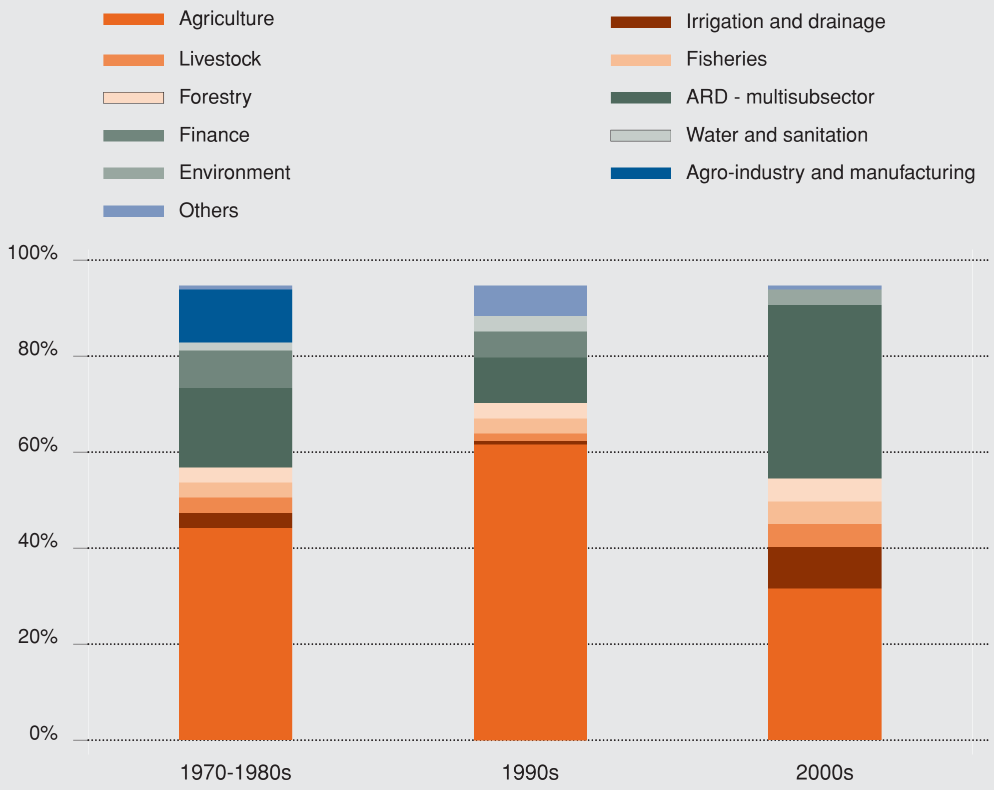
Issues	AfDB	IFAD
	In the United Republic of Tanzania, increased harmonization, use of government employees and ownership and participation are expected to ensure sustainability.	
Risk management	In Kenya, AfDB has identified external and project-related risks and has defined management strategies. For external risks related to political economy, AfDB 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, project design has incorporated the use of water extraction permits. In Mozambique, the Massinger Dam project includes a comprehensive set of environmental mitigation measures. In the United Republic of Tanzania, M&E is expected to play a role in managing risks.	
Partnerships	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 procedural manuals developed in collaboration with other projects such as the National Land Management Programme.	In Rwanda, the COSOP includes a matrix that identifies complementary donor initiatives and partnership/synergy potential. A technical partnership has been established in KWAMP in which AfDB, WFP and the German Development Service are expected to lead on specific project subcomponents.

54/ This analysis was undertaken in the context of the quality-at-entry review (see appendix 4 in document: "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", www.ifad.org/evaluation/jointevaluation/docs/porfolio.pdf.

Evolution of sub-sector shares in AfDB's and IFAD's agriculture and rural development portfolio in Africa

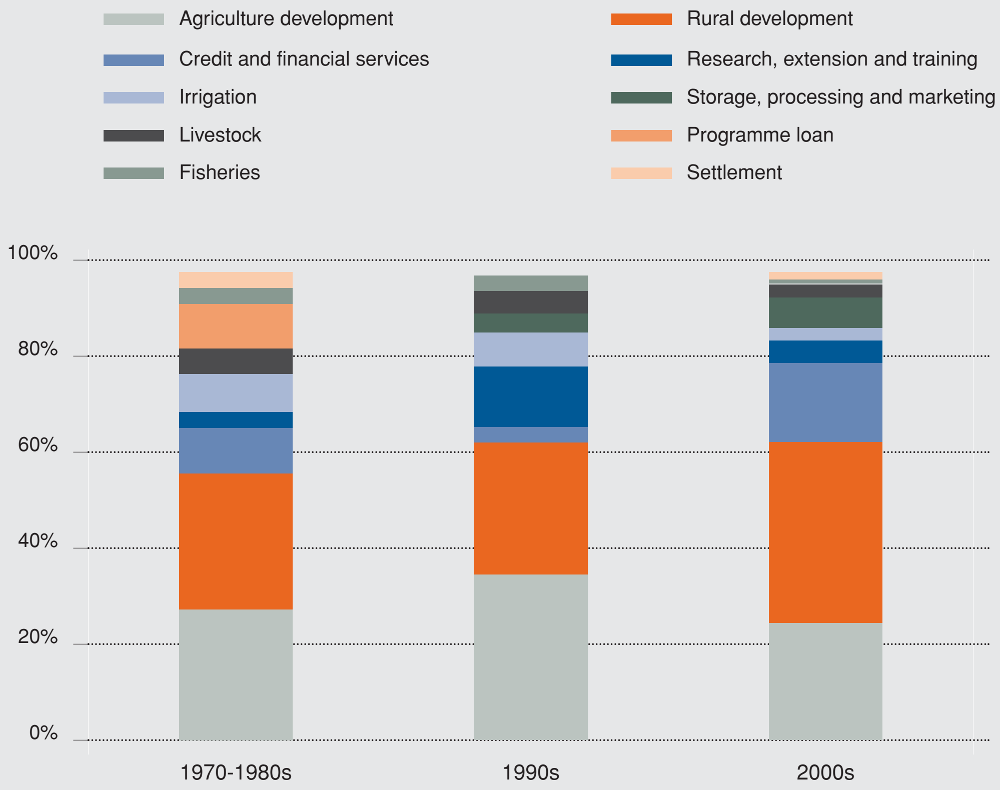
Appendix 11

Appendix 11 - Figure 1 Evolution of sub-sector shares in AfDB's agriculture and rural development portfolio in Africa



Source: AfDB

Appendix 11 - Figure 2 **Evolution of sub-sector shares in IFAD's agriculture and rural development portfolio in Africa**



Source: IFAD

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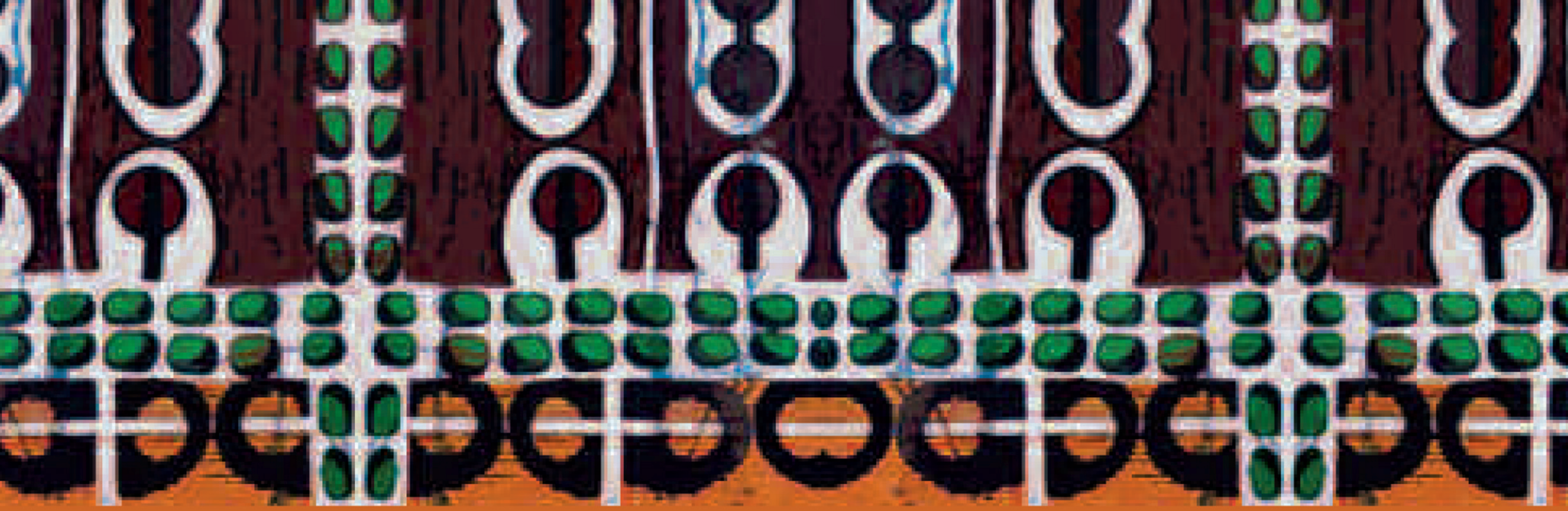

African Development Bank
Angle de l'avenue du Ghana et des
rues Pierre de Coubertin, Hédi Nouira
BP 323
1002 Tunis Belvédère, Tunisia
Telephone: +216 71 333 511
Facsimile: +216 71 351 933
E-mail: afdb@afdb.org
www.afdb.org

International Fund
for Agricultural Development
Via Paolo di Dono, 44
00142 Rome, Italy
Telephone: +39 06 54591
Facsimile: +39 06 5043463
E-mail: ifad@ifad.org
www.ifad.org
www.ruralpoverty.org

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