

Scaling up results for impact on inclusive and sustainable rural transformation



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Free-standing development projects cannot, by themselves, eradicate poverty at scale. This realization is very relevant to the debate on the implementation of a universal post-2015 agenda that aims for the *eradication* of poverty – including rural poverty, which is the specific focus of the International Fund for Agricultural Development (IFAD). Much of this debate is indeed about putting in place the enablers of transformative change in terms of policies, programmes and resource mobilization. In this context, donor-funded projects retain a very important role, but they can have the greatest value if they are explicitly designed and implemented with a view to supporting change around these enablers. This is also essential in order to increase the impact of every dollar of official development assistance (ODA) in leveraging other sources of investment in sustainable development – another critical concern in the debate on post-2015 agenda implementation. In short, scaling up is at the heart of a catalytic use of ODA-funded projects to effect the kind of large-scale changes required by the post-2015 agenda. IFAD's experience and systematic approach to scaling up provides a powerful example of how ODA-funded (and more generally, publicly funded) projects can be designed and used to remain important tools for the implementation of a new universal agenda aiming to “leave no one behind.”

IFAD'S APPROACH TO SCALING UP RESULTS

For IFAD, scaling up the results of successful development initiatives is an overarching priority that supports its mandate of investing in rural people for sustainable development and rural poverty eradication. As a result, in the past few years, IFAD has shifted from an

exclusive focus on projects towards an approach that aims to bring about broader change in the institutional, policy and economic environment of poor rural women and men. IFAD-supported interventions increasingly aim to use the positive results of projects to leverage changes in policies, knowledge, social and political capital, as well as financial resources from other actors at the country and local levels. Since 2009, IFAD has been developing a corporate approach to scaling up. In collaboration with the Brookings Institution,¹ it has elaborated a conceptual framework and documented successful cases of scaling up.²

An approach paper and an action plan³ have been prepared, to be implemented over the course of IFAD's next replenishment cycle (2016-2018) and beyond. The plan includes the preparation of guidance tools on how to scale up thematically and at country level. It involves an approach that looks at lessons learned from past interventions, assesses evidence of positive impact and sustainability and asks, "What is to be scaled up?" It subsequently defines the *pathways* and the *drivers* that will allow to leverage partners and resources for results to go to scale in a sustainable manner.

The approach requires effective use of three types of tools – project financing, policy engagement and knowledge management – to leverage IFAD's convening power and its ability to mobilize public and private development finance. The approach should focus less on scaling up project activities and more on scaling up development results. This way, projects become vehicles for innovation, learning and triggering systemic changes.

A key aspect of this approach is building the capacity of local stakeholders – notably organizations of poor rural women and men – to go to scale, so they can crowd in partners and resources and engage in policy dialogue. In this regard, the role of a development institution is to scout for promising innovations, identify rural people's institutions that can take them forward, strengthen their capacity and help *them* go to scale within an enabling policy framework.

From a donor-funded programme to a more inclusive rural financial sector

IFAD has been supporting the national Rural and Agricultural Finance Programme (RAFIP) in Ghana since 2010. The programme has contributed to some key policy changes: (i) the central bank has increased its regulatory role over rural microfinance institutions; (ii) the Government has embraced the Maya Declaration for Financial Inclusion; (iii) the apex bank of rural and community banks has achieved sustainability; (iv) Ghana's second Financial Sector Strategic Plan (FINSSP2) strongly supports access to services by low-income households and microenterprises; (v) value-chain relationships are increasingly being formalized, including with respect to financing; and (vi) some donors have offered their support to IFAD for the programme.

In order to engage in national policy development, RAFIP participated in the preparation of the National Financial Inclusion Strategy to ensure that principles of best practice microfinance – including consumer education and innovative application of technology to support rural outreach – were incorporated and implemented. Through its engagement in the 2013 Joint Agriculture Sector Review and dialogue around the development of Ghana's Medium-Term Agriculture Sector Investment Plan, IFAD supported the leveraging of private-sector investment and access to finance for agricultural value chains, as well as budget preparation for scaling up RAFIP's results.

SCALING UP PATHWAYS

Pathways to scaling up in the areas of rural development and rural poverty eradication are often long, step-wise and multi-stakeholder processes. In these processes, the role of IFAD as a development institution is to identify, consolidate and refine successful project initiatives and models; analyse results and draw out the lessons of success (or failure); and then bring the experience to bear so that it can influence others to become stakeholders in sustaining investments and policy changes, as shown in figure 1. Projects are thus conceived as levers

1 Linn, J.F., A. Hartmann, H. Kharas, R. Kohl, and B. Massler. 2010. *Scaling up the fight against rural poverty: An institutional review of IFAD's approach*. Global Economy and Development at Brookings, Working Paper 43. Washington: Brookings. Available at: <http://www.ifad.org/events/scalingup/report/e.pdf>.

2 Hartmann, A., H. Kharas, R. Kohl, J.F. Linn, B. Massler, and C. Sourang. 2013. *Scaling up programs for the rural poor (Phase 2)*. Global Economy and Development at Brookings, Working Paper 54. Washington: Brookings. Available at: <http://www.brookings.edu/~media/Research/Files/Papers/2013/1/ifad-rural-poor-kharas-linn/ifad-rural-poor-kharas-linn.pdf?a=en>.

3 IFAD. 2014. *Scaling up results*. Rome: IFAD. Available at: <https://webapps.ifad.org/members/repl/10/3/docs/IFAD10-3-R-2.pdf>.

Community-driven scaling up in North Eastern India

In 2000, IFAD funded the North Eastern Region Community Resource Management Project for Upland Areas (NERCORMP) – the first major externally aided project – to demonstrate the effectiveness of community-driven approaches in promoting community-led planning and management of development activities, and generally the ‘how to’ of inclusive and sustainable development.

In each target village, the project supported capacity-building of local groups involved in natural resource management, self-help groups (SHGs) and NGO service providers. It assisted communities to establish bank linkages and access convergence funding from other government programmes, as well as facilitated business development and market access. A cluster-based approach resulted in economies of scale in produce marketing. Indigenous technologies and improved agricultural production technologies were promoted.

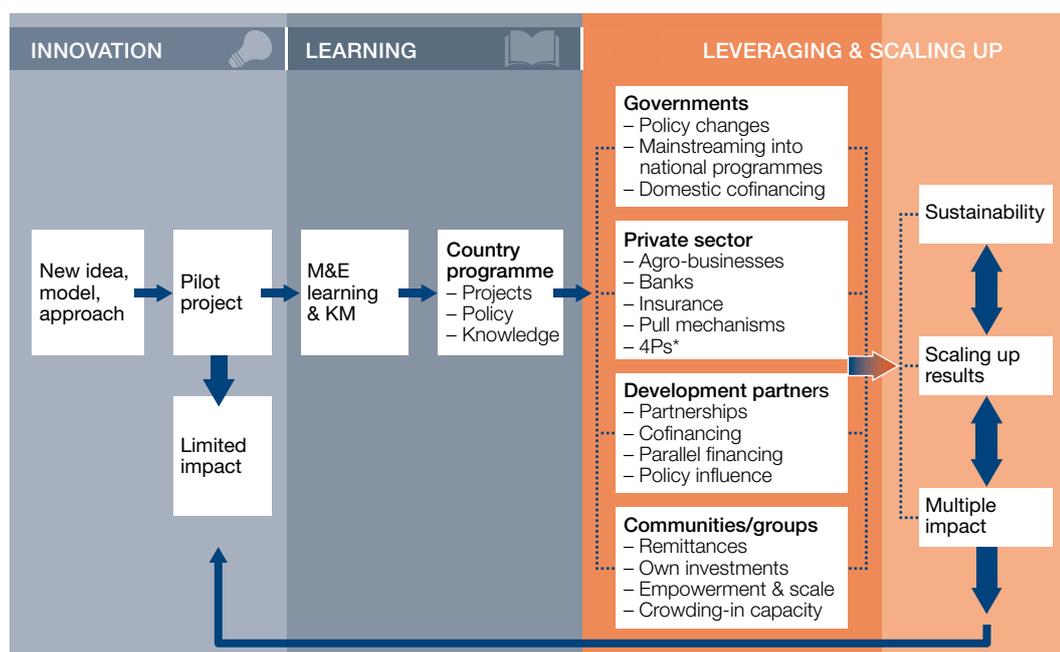
A critical dimension in the scaling-up process has been the role of empowered and federated community institutions, which reached enough scale to be able to access bank loans and services from the government, as well as to crowd in private-sector investments for enhanced sustainability.

Following the initial successful phase of NERCORMP (2000-2008), a second phase was launched in 2010 with new financing from IFAD and the Government of India to reach some 20,800 additional households. Further geographic expansion was secured in 2011, when a World Bank project worth US\$120 million expanded NERCORMP interventions to four new states (Mizoram, Nagaland, Sikkim and Tripura), and in 2014, through a programme implemented by the Government of India in two new states (Arunachal Pradesh and Manipur). Benefits were thus extended to some 360,000 additional households.

NERCORMP’s scaling-up pathways are a good example of geographic and functional expansion of innovative public, donor and private-sector partnerships and additional resource leverage.

for partnerships and policy change, and for investment from the private-sector and public cofinancing. Projects are also the context in which the perspectives of poor rural women and men and smallholder farmers are brought to bear, so that they can become agents of change and crowd in new partners and investments.

Figure 1 The scaling-up phases



* Public-private-producers partnerships

Enabling policies are crucial in efforts to bring operations to scale. For instance, financial policies, banking-sector regulations, and price and market interventions are often major obstacles to scaling up successful approaches in the areas of agricultural value chains and rural finance. Projects can serve to identify policy bottlenecks and generate lessons that support dialogue with policymakers and other stakeholders, as well as enhance the pro-poor focus of public policies related to agriculture and rural development.

Generating and managing knowledge about successful rural development approaches is essential, as the scale of global ambitions related to sustainable development increases and new modalities of development cooperation – notably South-South cooperation⁴ – grow rapidly. This agenda can have a particular resonance in middle-income countries, where ODA is often a less critical constraint than knowledge of successful approaches for rural poverty reduction.

DRIVERS AND SPACES FOR SCALING UP

Space has to be created for an initiative to reach scale sustainably, noting that:

- *Policy space* is about ensuring that national (or subnational) laws, regulations and policies enable the initiative to be scaled up and/or provide adequate incentives for non-government actors to scale it up. This may require a change in the overall policy framework, revisions to specific policies and regulations, or a strengthening of the capacity of public institutions to enforce existing policies.
- *Financial or fiscal space* is about ensuring the financial sustainability of a scaling up pathway from the perspective of continued financing requirements after project termination. If this means public funding, this may involve mainstreaming project activities into government strategies and programmes, ensuring coordinated approaches among donors and cofinancing opportunities. If financial sustainability is to be driven by private and producers' organizations, opportunities for public-private-producers partnerships (4Ps) need to be considered as a driver for scaling up, particularly in facilitating smallholder access to markets.
- From an *institutional perspective*, a key challenge is identifying institutions that can sustain scaling-up efforts. For inclusive and sustainable rural transformation, it is particularly important to examine to what extent institutions of poor rural people can become drivers for scaling up. If viable institutions of this sort are brought to scale, they can lead in setting the agenda, mobilizing resources, attracting the private-sector, exercising convening authority, creating consensus for change and influencing policy reforms.
- *Partnerships* help to access knowledge and leverage institutional capacity, influence and outreach with a view towards scaling up. For IFAD, partnering with the private-sector (e.g. agrobusinesses), microfinance institutions and banks, microinsurance providers, the information and communications technology (ICT) sector, and promoters of innovation and technology is an effective method for creating space for scaling up of successful approaches. The media can also be a highly cost-effective partner for reaching out to the public and mobilizing broad constituencies for change.
- A good knowledge of context and the identification of possible *cultural* obstacles are often needed to facilitate scaling up in different cultural environments, especially when projects focus on the empowerment of indigenous peoples, ethnic minorities, or rural women.

CONCLUSION

A systematic approach to scaling up results is critical to support countries to achieve an ambitious agenda of rural poverty eradication. In this context, donor-funded projects can play a major and important role, so long as they are positioned as an integral part of systematic scaling-up strategies.

4 Two examples from Afghanistan of scaling up based on knowledge generated elsewhere are the National Solidarity Program for Rural Development, which is based on an approach implemented in Indonesia, and the National Program for Basic Health Services, which adopted an approach piloted in Cambodia.



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