

Scaling up results



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Bangladesh - Microfinance for Marginal and
Small Farmers Project

Why is scaling up mission-critical?

Like many development partners, IFAD has found that innovative free-standing development projects alone are not an effective vehicle for eradicating poverty at scale: they must be part of a longer-term process that can sustain learning and scaling up.

Confronted with the large-scale problem of reducing rural poverty that it is mandated to address, and with the limited resources available from official development assistance (ODA), IFAD is compelled to increase the impact of every dollar it invests in agriculture and rural development. For this reason, scaling up the results of successful development initiatives is not just another buzzword, but rather an overarching priority that directly supports the achievement of IFAD's mandate.

To deliver on this priority, IFAD's operational practices must be geared towards supporting all concerned actors and institutions – including poor rural women and men and their organizations – to achieve impact at scale. This requires a shift from a project-centric approach to one that spurs change in the institutional, policy and economic environment in which rural poverty exists and is perpetuated. That is, the objective of IFAD interventions should not only be to enable rural people to work their way out of poverty in the limited time and space of a given project, but also to use the positive results generated by it to inspire others and leverage policies, knowledge, social and political capital, and financial resources from other endogenous actors (private, public and the communities themselves) to bring those results to a larger scale in a sustainable manner (see box 1).

Box 1: What is meant by “scaling up results”?

The definition adopted by IFAD for scaling up is “expanding, adapting and supporting successful policies, programmes and knowledge, so that they can leverage resources and partners to deliver larger results for a greater number of rural poor in a sustainable way”.

Scaling up results does not mean transforming small IFAD projects into larger projects. Instead, IFAD interventions will focus on how successful local initiatives can sustainably leverage policy changes, additional resources and learning to bring the results to scale.

Background

Since 2009, IFAD has been developing a corporate approach to scaling up. First, an institutional scaling up review was undertaken by the Brookings Institution, which elaborated a conceptual framework and conducted a desk analysis of IFAD's approaches to innovation and scaling up.¹ The review also documented successful cases of scaling up in a number of countries, including Ethiopia, Ghana (see box 2), Peru, the Philippines, Viet Nam, and also of mainstreaming cross-cutting themes into IFAD policies and operations. For example, IFAD's approach to mainstreaming indigenous peoples' issues (through the IFAD Policy on Engagement with Indigenous Peoples, the Indigenous Peoples' Forum, and the Indigenous Peoples Assistance Facility [IPAF] and its portfolio) has become a model followed by other United Nations organizations, recognized by both the United Nations system and indigenous peoples. Similarly, initial innovative work by IFAD on community-driven development has been subsequently taken up and expanded by larger donors and government programmes.

Box 2: A more inclusive financial sector in Ghana

Since 2010, IFAD has been supporting the national Rural and Agricultural Finance Programme (RAFiP) in Ghana. Meaningful changes have occurred in the context within which RAFiP functions, such as: (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) is strongly supporting access to services by low-income households and microenterprises; (v) IFAD's country strategic opportunities programme (COSOP) has been updated with respect to the policy dimension and sustaining outcomes; (vi) value chain relationships are increasingly being formalized, including with respect to financing; and (vii) some donors have offered their support to IFAD for the programme.

To further develop the policy dialogue pathway for scaling up, RAFiP will need to engage actively in the preparation of the National Financial Inclusion Strategy, in particular to make sure that the principles of best-practice microfinance – including consumer education and protection, and innovative application of technology to support rural outreach – are adequately incorporated and implemented in order to lay the foundations for scaling up of proven methods under future initiatives, projects and programmes.

Through its engagement in the 2013 Joint Agriculture Sector Review and the dialogue process for the development of Ghana's Medium-Term Agriculture Sector Investment Plan, IFAD has provided guidance and communicated principles for leveraging private-sector investment and access to finance for agricultural value chains, and for the respective budget preparation that enables scaling up of RAFiP's major results.

The main conclusions of further studies by the Brookings Institution state that, although IFAD has been successful in scaling up on several occasions, the scaling up agenda deserves greater and more systematic attention in IFAD's operational work.²

IFAD's approach to scaling up results

IFAD's primary approach to operationalizing the scaling up agenda involves the use of the conceptual framework developed jointly with the Brookings Institution. The two-pronged approach first looks at lessons learned from past interventions and answers the question, "What works and what is to be scaled up?" and then defines the pathways and the drivers that will allow results to be brought to scale in the future through the financial, policy and knowledge services that IFAD provides.

¹ "Scaling up the fight against rural poverty: An institutional review of IFAD's approach." Working Paper 43, Global Economy and Development at Brookings, October 2010.

² "Scaling up programs for the rural poor (phase 2)", Global Economy and Development at Brookings, January 2013.

The approach requires using three types of tools together effectively – project financing, policy engagement and knowledge management – as a way to leverage IFAD’s convening power and its ability to mobilize public and private development finance. It requires us to focus less on scaling up project activities and more on scaling up development results at the country level. In this way, projects become vehicles for innovation,

Box 3: 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 the “how to” of inclusive and sustainable development.

The project promoted capacity-building of local natural resource management groups in each village, self-help groups (SHGs) and NGO service providers. It assisted communities to establish bank linkages and access convergence funding from other government programmes, and 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 also introduced.

A critical dimension in the scaling up process has been the role of empowered and federated community institutions, reaching 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 with a US\$120 million World Bank project, which expanded NERCORMP interventions to four new states (Mizoram, Nagaland, Sikkim and Tripura). In 2014, two new states (Arunachal Pradesh and Manipur) were included through a Government of India programme. 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, donors and private-sector partnerships, and also of leveraging additional resources.

learning and triggering systemic and lasting changes. A critical aspect of the approach is building the capacity of local stakeholders – notably organizations of poor rural women and men – to go to scale, enabling them to crowd in additional partners and resources, and also to engage in policy dialogue themselves. In such cases, IFAD’s role is largely about its capacity to scout for promising innovations and initiatives, identify within its target group those institutions that can drive change around such innovations, strengthen their capacity, and then help *them* go to scale (see box 3).

IFAD operations will explore from the outset and throughout the project cycle potential scaling-up pathways that can ensure that a successful project is not a one-time event, but rather a stepping stone (not necessarily the first) towards a wider and more sustainable impact on poverty (see box 4). Some interventions may be successful in terms of demonstrating results, but may prove unsustainable if donors’ funds cannot be matched by the required financial or fiscal space to sustain activities once the project ends.

During the initial phase, it will be important to provide evidence that a given idea or model works and is financially sustainable, while successive scaling up phases will need to develop delivery processes and create institutional, learning and policy conditions for consolidating typologies of projects with specific scaling up methodologies. Conversely, tailored scaling up modalities will be needed depending on specific country conditions (e.g. fragile, post-conflict or middle-income).

Mainstreaming of the scaling up approach into IFAD operations will be pursued through the preparation of a number of tools:

Box 4: Sustainability and scaling up

The principles of scaling up and sustainability are closely linked and feed into each other. A clear assessment is needed of the key spaces and the institutional actors that will give a local initiative continuity in the absence of donor funding.

IFAD’s approach to scaling up will centre on the notion that country programmes will use their leveraging capacity to ensure that impact continues beyond project life, and will seek to ensure that the needed policy framework and the financial/fiscal resources are in place to bring results to a larger scale in a sustainable manner.

- Thematic scaling up notes prepared on smallholder institutions, rural finance, agriculture value chains, land tenure, irrigation, livestock, nutrition, gender and climate change illustrating how scaling up approaches may need to be tailored to different lines of businesses;
- Country notes describing scaling up approaches adapted to different contexts, such as middle-income countries, low-income countries and fragile states.

A new operational framework³ will define the business processes, procedures, formats, indicators and financial instruments that IFAD should put in place to move the scaling up results agenda forward in its operations and policy engagement.

Scaling up results is part of a broader process that involves innovation, learning, leveraging and scaling up (figure 1). A new idea is typically tested through a pilot project, which then undergoes a full evaluation. By learning from this experience, knowledge is created and disseminated. This knowledge provides the basis for a scaling up model of adaptation, expansion and replication using IFAD's operational instruments (projects, policy and knowledge). The underlying rationale is that the results demonstrated will leverage additional resources from governments, the private sector, other development partners, and rural communities themselves, or lead to broader alliances and partnerships that can achieve policy changes and multiple sustainable impacts. The experience from scaling up then feeds back into new ideas and learning.

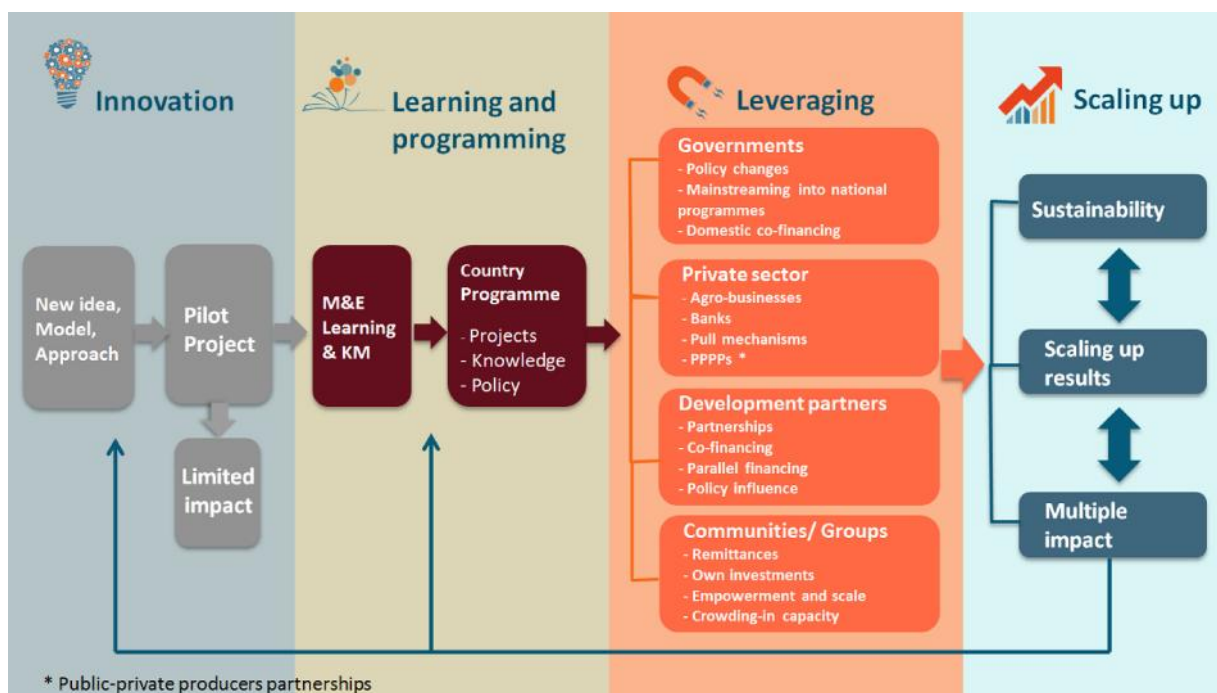


Figure 1. The scaling up results approach

³ To be finalized by mid-2015.

Challenges and opportunities

Typically, the concept of scaling up has been associated with the capacity of ODA-funded projects to be expanded in order to reach out to a greater number of beneficiaries. Such an approach has limitations, given that donors tend to have fixed (and sometimes declining) amounts of ODA resources allocated to individual countries. Therefore, if a scaling up strategy is defined and measured only by what a donor can do with the money available, it can improve project efficiency but will remain constrained by the fixed resource envelopes allocated to individual countries in terms of scaling up results.

Beyond its own effectiveness in the scaling up process, IFAD must also consider how to build the capacity of local stakeholders to leverage additional resources independently, based on the successful results of IFAD-supported initiatives. IFAD's role in scaling up is mostly determined by its capacity to scout for promising innovations and development initiatives, identify the right institutions within its target groups, strengthen their capacity, and help them go to scale rather than perform the functions itself.

The challenge in operationalizing scaling up will be to look beyond what the Fund can do with its own money, to what its money can leverage. This approach may have important implications for the project design process, and particularly for results-monitoring and management arrangements.

A defined model should be launched on a scaling up pathway only if evidence of impact and sustainability has been gathered and measured. Moreover, it will be useful to identify which components are expected to be easily replicable and which are likely to be site-specific. If activities and their results are assumed to be site-specific, they will require further testing before being considered suitable for scaling up. Not all the initiatives supported by IFAD need to be scaled up: each case requires an informed decision on whether or not scaling up is appropriate.

For most rural development models, scaling up will not happen spontaneously. Clear and carefully planned pathways are needed, which should be marked with intermediate goals to assess whether the pathways are moving in the right direction. IFAD's experience indicates that pathways to scaling up are a long, stepwise and multistakeholder process. IFAD's role in this process is – on the one hand – to identify, consolidate and refine pro-poor models and build the capacities of rural communities to advocate for themselves; and – on the other hand – to share the lessons of operational experience with its partner governments and assist the latter in the scaling up of successful approaches and activities through national policies, programmes and practices.

Scaling up pathways

For IFAD, the pathway to bringing results to scale requires the integration of three main instruments – projects, policy engagement and knowledge – and their use as entry points for leveraging resources from other partners (national governments, the private sector, banks, other donors, etc.) or policy changes.

Projects

What can be mobilized from others is greater than what IFAD can provide by itself. Hence, IFAD's projects should be seen not in terms of what they can achieve by themselves or through a succession of phases, but as levers to catalyse additional funds, partnerships and policy changes, using project results as incentives for further investment from the private sector (agribusinesses, banks, insurance, remittances) and cofinancing (foreign or domestic). IFAD projects will also examine scaling up from the beneficiaries' perspective in order to ascertain what is needed to mobilize additional resources and capacity for an enduring and sustainable initiative – without IFAD resources and beyond the project period. Scalability will be assessed throughout the COSOP process and during project design and implementation. Project design will need to pay particular attention to the financial and fiscal sustainability of interventions.

Policy engagement

The importance of policy issues varies widely according to intervention and thematic area. Enabling policies are crucial to bring operations to scale and require particular emphasis, as non-conducive policies may significantly hinder project performance and scaling up. For example, financial policy issues, banking sector

regulations, and price and market interventions are often key obstacles to scaling up in value chains and the rural finance sector. IFAD-supported projects can provide a basis for identifying policy bottlenecks and bringing to bear the evidence of their impact. More broadly, however, they can generate lessons of successful approaches for rural poverty reduction, and promote dialogue with policymakers and other stakeholders with a view to integrating those approaches into national policies, institutions and strategies. They can also serve to strengthen and enhance the pro-poor focus of public policies for rural development and their implementation, together with the institutions responsible, and build the capacity of national stakeholders to participate effectively in policy processes and shape national policies.

Knowledge

In certain cases, money may be a lesser consideration when demonstrating that a particular innovation works and can be scaled up by governments or other donors. The knowledge agenda is particularly important in a context of diminishing public resources for development, as it can leverage change by promoting best practices, lessons learned and South-South Cooperation. The transfer of successful ideas from one country to another can lead to considerable development impact.⁴ IFAD will contribute to the scaling up agenda through its role as a knowledge broker, including through its grant programme. Using knowledge management to pursue scaling up is particularly relevant in middle-income countries (MICs), where donor money in many cases is not the major determinant of a scaling up strategy. In these cases, innovation, knowledge and learning may be the best way to mainstream IFAD interventions into national programmes. Knowledge of country contexts is equally important, since scaling up based on transferring best practices and good governance may not always work, particularly if it involves the transfer of foreign institutional models to low-capacity or fragile settings.

Drivers of scaling up

IFAD projects will identify and support key policy and institutional areas that need to be developed in order to reach a larger scale, as well as the “movers and shakers” who can help in the growth process. Change constituencies will need support to become effective drivers, for example in leveraging changes in a regulatory system, sustaining participatory systems, pushing for reforms in the rural finance system, disseminating and adapting new technologies, pressing for adequate commitment for budgetary allocations, etc. Drivers typically take the form of: market and community demand; incentives and accountabilities; political, private-sector or producer constituencies; and/or civil society institutions with a vision for and interest in change.

Spaces

Space has to be created for an initiative to grow and reach the desired scale in a sustainable manner. The most important spaces are fiscal/financial, institutional/organizational, political, partnership, and cultural. Based on the type of intervention, IFAD will support the creation of the required spaces.

Financial/fiscal space

Some scaling up pathways are more dependent on continued financing (private, public or both). For this purpose, it will be important to assess the elements that need to be taken into account during project design in order to ensure that the scaling up model is financially sustainable. If sustainability is to be fuelled mostly by public resources, the model will need to explore the scope for mainstreaming project activities into government development programmes (mostly with respect to MICs), or to ensure more coordinated and efficient approaches by various donors. If sustainability is to be driven by private resources, the model will need to identify and provide the right incentives for private sector investments. If sustainability is to be driven by public-private and producers' organizations, opportunities for PPPP will need to be considered as a driver for scaling up. Part of creating financial/fiscal space involves containing or lowering costs and increasing internal cost-recovery in programmes, so as to reduce the call for outside financial resources.

⁴ Two examples from Afghanistan of scaling up based on knowledge from elsewhere are: (1) the National Solidarity Programme for rural development, which is based on a similar approach in Indonesia; and (2) the national program for basic health services, which adopted an approach tested in Cambodia.

Institutional/organizational space

A key initial challenge is identifying institutions that have the potential to pursue and sustain scaling up efforts, that are socially cohesive and well integrated in the national context, and that can therefore operate at scale. Institutional analysis tools have been developed in IFAD to help understand the role of different institutions at the national, regional and local level, and that of the project implementation units and their capacity to sustain efforts beyond the project lifespan. For an institution like IFAD, whose focus is on working with grass-roots institutions, it is important to examine to what extent local institutions (i.e. institutions not only for the poor but also of the poor) can become the main drivers for scaling up.

If these institutions are brought to scale with IFAD's support, they can then play the main role in setting the agenda, mobilizing resources, attracting the private sector, exercising convening authority, creating consensus for change and scaling up, and influencing policy reforms. They can also become institutions capable of providing services on a large scale.

Political space

Empowering the rural poor and their institutions to reduce their poverty is likely to have political implications in many countries, given the implied changes to the relations of power and the distribution of wealth and income. IFAD will need to reach out to important stakeholders, both those in favour of the intervention and those against, to ensure political support for a scaled-up intervention.

Similarly, momentum for change at the political level may need to be created by helping IFAD's traditional constituencies participate in policy dialogue and consultation processes. Momentum for change can also be built by gaining sufficient legitimacy for policy changes through global coalitions, networks and partnerships.

Partnership space

Partnership space will need to be developed in virtually all thematic areas. Governments, national institutions, donors and foundations, think tanks and academics, and research and development centres are IFAD's traditional partners. Partnerships are not pursued primarily for resource mobilization, but rather for access to knowledge, and for leveraging institutional capacity, influence and outreach. In this respect, partnering with the private sector, agribusinesses, microfinance institutions and banks, (micro) insurance, the information and communications technology (ICT) sector, and with promoters of innovation and technology (i.e. the Consultative Group on International Agricultural Research [CGIAR], national agricultural research systems, academics, knowledge networks, etc.) should be seen as a way of increasing opportunities for scaling up in the agriculture sector. Finally, the role of the media as a scaling up partner should be highlighted as a highly cost-effective way to reach out to the public and build constituencies for change.

Cultural space

Possible cultural obstacles or support mechanisms should be identified, so that programmes can be suitably adapted to permit scaling up in culturally diverse environments. In certain circumstances, when targeting women and other specific groups (such as indigenous peoples or ethnic minorities), understanding the cultural environment and context in which IFAD's interventions operate is essential to tackling the critical factors that may impair or enhance development processes. Cultural barriers can create major obstacles to scaling up results if they are not properly identified in the course of project design or policy dialogue.

Monitoring and evaluation (M&E)

Monitoring a scaling up pathway differs from monitoring a traditional IFAD project. A scaling up monitoring system needs to monitor the pathway's intermediate goals, rather than the defined IFAD project outputs and outcomes. Specifically, it should monitor whether or not the prerequisite key spaces (institutional, policy, fiscal, etc.) are being created to permit the scaling up pathway to proceed as planned. It is, in principle, possible to make IFAD project monitoring an integral part of pathway monitoring. Effective M&E is a critical component of an effective scaling up pathway. As part of its effort to revamp its project monitoring system, IFAD will ensure that the right indicators are used when assessing project performance.

Measuring success

During IFAD9, the Results Measurement Framework (RMF) indicators have sharpened the focus on IFAD's scaling up objectives by tracking quality at entry. A series of parameters are tracked systematically and reported in detail in the corporate management results system to indicate: (i) if the intervention is being scaled up or further developed from previous interventions; (ii) the extent to which the project design identifies the specific models/interventions to be scaled up; (iii) the extent to which the project design provides evidence that tested models/interventions are effective and efficient; (iv) the extent to which the project design identifies the scale dimensions to be achieved; (v) the extent to which the project design clearly lays out how larger-scale activities will be achieved, by identifying the institutional, policy, fiscal and financial requirements (i.e. the scaling up spaces) that need to be developed in order to work at a larger scale.

Less rigour is found when assessing scaling up during implementation and completion, and no related rating is given in the corporate management results system. Innovation and scaling up are assessed by the Annual Report on Results and Impact of IFAD Operations (ARRI), which looks at the extent to which IFAD interventions have introduced innovative approaches to rural poverty reduction, and 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 other agencies.

The operational framework to be developed will ascertain whether a more in-depth assessment of scaling up should be introduced in evaluations and self-assessments (project status reports and completion reports) and its reporting requirements.

Way forward


IFAD will continue to institutionalize a systematic approach to scaling up results. It will achieve this by using a series of tools, guidance notes and training events, and by elaborating a new operational framework aimed at defining the business processes, financial instruments, incentives and procedures that should be put in place to move the scaling up results agenda forward, while ensuring adequate capacity and resources. Most of this preparatory effort will take place in the course of 2015 in order to ensure that the scaling up agenda can be implemented during the IFAD10 period.





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
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