



Investing in rural people

Corporate-level evaluation on

IFAD POLICY FOR GRANT FINANCING

Independent Office of Evaluation of IFAD

Milestones



Lending policies and criteria of IFAD

Non systematic, case-by-case approval of grants



Grant Policy

1. Promotes pro-poor research on innovative approaches and technological options to enhance field-level impact
2. Builds pro-poor capacities of partner institutions, including community-based organizations and NGOs



Policy revision

Private sector becomes eligible for grants

Approval authority for provision of grants of the President increases from US\$200,000 to US\$500,000

The 2009 revised policy confirmed the 2003 policy objectives but introduced a number of "outputs" and "activities", broadening the domain of application of grants

From 2003 to 2013

IFAD approved



for a total amount of...



which accounts for...



Distribution of financial volume of grants by recipient category



24% Inter-governmental organizations (of which 13% UN agencies)



17% Member States



26%

Civil Society Organizations (NGOs: farmer organizations, their federations and apex bodies)



31%

Research institutions (of which 22% CGIAR)



4% Others

Evaluation findings

Grants have considerable potential to promote

Rural poverty alleviation



but

Grants policy



constrained by



Not clear setting of priorities



Room for interpretation



Wide gap between the potential and the achievement

Grants allowed IFAD to collaborate with a wider range of organizations

For example non-governmental organizations (notably farmers' federations, civil society organizations, indigenous people's organizations) and institutions involved in international agricultural research

Better attention was given to the grant programme by IFAD management in the latest years

Examples are: greater role for country programme managers to sponsor and manage grants; reduction in the number of grant proposals in the annual pipeline in order to make supervision more manageable; revised quality assurance procedures for grants

Strengths



Areas for improvement



Priorities for grants were not clearly set

This left room for the objectives to be widely interpreted as the policy was being implemented

Linkages between grants and IFAD's operations and strategies have been weak

It remains a challenge to capture and "internalize" results and knowledge stemming from grants

Procedures for grant approval, oversight and monitoring, and fiduciary aspects were not sufficiently calibrated with IFAD's resources and capacities

Resulting in complicated processes that do not ensure commensurate value added

Recommendations

1

Prepare a new grant policy for EB approval with clearer grant objectives.

(a) For country-specific grants: develop national policies, test innovative approaches, capacity building of partners, KM to support scaling-up.

(b) For non-country specific grants: research, policy analysis, priority corporate partnerships

2

Provide a larger allocation to country-specific grants: manageability and absorptive capacity is simpler for country-specific grants. But avoid past loan-component grant modality, not supporting grant policy goals

3

Simplify and strengthen the grant allocation and internal review process. Focus review of proposals on policy compliance, linkage with current or future COSOPs or corporate priorities and likelihood of internalizing results in IFAD's and/or the government's programme of rural poverty alleviation

4

Invest in a Grant Management Information System that maintains a record of all grant-related documents, saved in an accessible format, from inception to completion