

Issues and Challenges in Strengthening and Sustaining Rural Poor Organizations

In the process of implementing their respective sustainability plans, the four SCOPE supported IFAD projects have had to deal with a number of issues and challenges that have constrained their efforts to promote the sustainability of RPOs.

These issues and challenges arise both from features of the project cycle that have not been modified to accommodate the requirements of a sustainability strategy, as well as from gaps between IFAD policy and practice in regard to implementing effective exit strategies in its projects.

This section presents the issues and challenges that manifest themselves at three major stages in the project cycle: (1) Project design; (2) Capacity building and Project implementation; and (3) Project monitoring and evaluation. This section also provides recommendations

for IFAD, Governments and CSOs to address these concerns.

This section draws from the review of IFAD projects prepared by Dr. Cristina Liamzon and entitled "STRENGTHENING CAPACITIES OF ORGANIZATIONS OF THE POOR: EXPERIENCES IN ASIA, IFAD's Experience in Building and Strengthening Rural Poor Organizations in Asia", and from the IFAD Regional Workshops held in November 2005 and September 2007.

PROJECT DESIGN

"Project design" consists of the five stages involved in the development of an IFAD project, as follows:

- ▶ Preparation of the Country Strategic Opportunities Programme (COSOP), a document which sets out the rationale and strategies for IFAD's engagement in a particular country;
- ▶ Project inception, which consists of a review of pertinent documents by the Country Programme Manager (CPM);
- ▶ Project formulation, which includes the preparation of the design of the project and of the project logframe;
- ▶ Project appraisal, during which the budget is reviewed, assumptions are validated, and negotiations with the

relevant government agency are conducted; and

- ▶ Loan negotiation and signing of the loan agreement between IFAD and the recipient government.

A number of recommendations have been proposed to promote the sustainability of RPOs as early on in the project as possible. These include lengthening project timeframes and making project components flexible enough to allow the processes involved in organization development to take their proper course. Project designs would also be greatly enhanced by the incorporation of specific elements, such as: (i) an RPO sustainability plan/exit strategy that prioritizes "processes" over "structures"; (ii) provisions for building up the internal capacities of RPOs; (iii) involvement of RPOs, where appropriate, in all other project components (e.g., infrastructure, natural resource management, credit, etc.), considering that RPO sustainability is fostered by the development of the group's capacity to manage many project components; (iv) development and mentoring of dynamic and effective social mobilizers/community development facilitators/community development volunteers from within the community who could continue to assist the RPOs in their organizational processes after the project ends; and (v) development of mechanisms to facilitate cooperative engagements and

linkages between the RPO and government and other institutions, as such linkages create opportunities to access resources after the project ends as well as promote continuing learning and advocacy, and thus greater impact. Lastly, provisions for continued support for the RPO (in the form of grant assistance) have also been proposed.

However, efforts to put these recommendations to work have run aground because of the following constraints:

The top-down nature of the processes involved in the design of IFAD projects.

There are no formal mechanisms to secure stakeholder participation, especially of CSOs, in the formulation of the COSOP or in the preparation of the project appraisal report, which is touted to be “the bible” of project implementers. Denied this opportunity to contribute their inputs at the design stage, stakeholders would have few other chances, if any, to influence IFAD, the CPMs, and the PDs to adopt measures that would enhance the sustainability of their organizations.

Disconnect between strategies/policies adopted by IFAD and downstream processes in the project cycle.

There have been recommendations to incorporate the RPO sustainability framework in the COSOP and in other project documents. However, even this may not be enough to ensure that concerns for sustainability are addressed at succeeding

stages of the project cycle. For example, while project appraisal reports and loan documents may provide for a sustainability strategy, and even identify the activities that the project proposes to undertake to strengthen RPOs, there is no guarantee that the requirements and methods for putting these to work are clear enough to be implemented at the project start-up stage. Thereafter, in the haste to produce the Project Implementation Manual (PIM) (i.e., usually in just three to six months), these crucial details tend to be overlooked by PDs. The involvement of PDs at the design stage has been proposed to help mitigate this kind of disconnect.

Design could only go so far. Project designers may not be able to anticipate all the implications of the project design on monitoring and evaluation, or on the requisite support systems, for instance. There ought to be room for experimentation and for pilot testing the methodology before project start-up.

IFAD's inability to go the distance. Achieving RPO sustainability requires longer periods than IFAD is currently prepared to fund. This would explain the lack of enthusiasm, or “buy-in”, among Country Programme Managers (CPMs) for activities designed to promote sustainability. The CPMs simply do not believe that IFAD is ready, or willing, to stay the course and to make this kind of commitment of its time and money.

Insufficient budget provisions for the social components of IFAD projects. This is an offshoot of IFAD's lack of understanding of the social processes involved, and the investment in time and money required in organizing and strengthening RPOs.

Governments' lack of appreciation for the need for capacity-building, especially where this is provided by NGOs. PDs may recognize the role that NGOs could play in building the capacities of RPOs for the various tasks they must undertake if they are to sustain themselves. However, unless governments come to share this view, they would continue to resist the idea of funding NGO activities from the IFAD loan. Thus, the all-important task of capacity-building is frequently shelved or postponed until money from some other source or intended for some other purpose is freed up or otherwise becomes available.

IFAD's Response

IFAD has acknowledged the importance of providing early on for a sustainability or exit strategy and said that this is already included in project appraisal reports. However, in regard to involving PDs at the design stage, IFAD has observed that this is possible in some countries, whereas in others, the PDs could only get involved at a later stage.

PROJECT IMPLEMENTATION AND CAPACITY BUILDING

The Project Implementation stage begins

with the Start-Up Workshop, at which the PD hammers out the Project Implementation Manual (PIM). In the actual implementation of the project, CSOs/NGOs are brought in to provide technical assistance.

The following issues have been observed to come up during project implementation:

Discontinuity resulting from changes in country program management. Frequent changes in CPMs undermine the consistency of policies and activities implemented during the project. Thus, any gains from having a CPM who endorses the idea of building RPO sustainability would be reversed by his/her replacement by the next CPM, who does not share his/her predecessor's views and would more likely than not, simply consult the appraisal report, which, in its current formulation, is short on details and guidelines in regard to building RPO sustainability.

Lack of direct support from IFAD for capacity-building. Capacity-building should be funded out of a specific grant, and not, as is currently the case, out of the project loan.

Lack of government support for RPO sustainability. Where activities in support of RPO sustainability could not be funded out of the project loan, the same could be taken on by a supportive government. Unfortunately, most governments have yet to be persuaded that investments on the social

components of projects are just as crucial to the success of IFAD-supported projects.

CSOs have frequently proposed that IFAD provides incentives towards promoting a better appreciation among governments for the need to strengthen RPOs involved in IFAD-supported projects. The incentives may or may not take the form of money, CSOs have suggested; IFAD could use a combination of "carrots" and "sticks" to produce the desired effect. Furthermore, a venue for regular policy dialogue between governments and CSOs or RPO representatives in regard to RPO strengthening would be helpful, but does not currently exist.

PDs' discretion over facilitating NGO participation in capacity-building. PDs of SCOPE supported IFAD projects have come to recognize the efficacy of NGO assistance in capacity-building efforts. However, they are still in the minority. Most PDs are likely to share the ambivalence of their governments with regard to NGOs. Hence, the involvement of NGOs in IFAD-supported projects must not be left to the whims of PDs, but should be stipulated in loan agreements.

IFAD's Response

IFAD regards its operations as being "too CPM-based". Too often, discontinuity (in operations and policies) follows the departure of CPMs. IFAD is striving to de-personalize its operations by restoring emphasis on

the project logframe. The latter would serve as a "straitjacket", keeping the project on target and thus promoting continuity in policies and activities.

Another way in which IFAD is striving to ensure continuity, especially in regard to promoting RPO sustainability in its projects, is by building up its knowledge management capabilities. This could be done by disseminating the lessons from SCOPE among IFAD divisions concerned, and by continuous documentation.

In regard to the need to persuade governments of the need for RPO strengthening, IFAD may use an existing mechanism: the Performance Based Allocation System (PBS), through which country allocations are determined according to governments' performance in specific sectors. For instance, IFAD has developed indicators to measure governments' performance in agriculture, which already include the strengthening of RPOs. The PBS holds a yearly consultation between IFAD and the respective governments, following which the country allocation either goes up or down according to the government's performance in regard to the indicators. Hence, a mechanism already exists, and to which IFAD could be persuaded to add more of the RPO sustainability indicators.

PROJECT MONITORING AND EVALUATION

Project Monitoring and Evaluation comprises the Supervision Missions, the Mid-Term Review (MTR), and evaluation of completed projects.

Lack of control by IFAD over the implementation of the sustainability/exit strategy.

Formulating a sustainability/exit strategy and working it into the project appraisal document does not guarantee its observance down the line. The persons heading the supervision missions or the MTR have been known to deviate from such strategies. Without IFAD oversight in this regard, there is no way of ensuring that such strategies are actually implemented.

Lack of mechanisms to periodically review the project logframe, and lack of flexibility to make appropriate adjustments to project assumptions following such a review.

There are recommendations to institute a mechanism whereby IFAD projects could be periodically assessed (at predetermined periods) for compliance with the project logframe (which among others should reflect the RPO sustainability indicators). There is also a need for some flexibility in regard to budget realignments (e.g., in the Annual Workplan and Budget [AWPB]) in light of findings from such a review.

Lack of participatory monitoring and evaluation.

RPOs would like the opportunity to audit IFAD projects. However, there is as yet no agreed mechanism nor are there tools for such a participatory monitoring and evaluation.