

provides a good starting point for further efforts. IFAD emphasises that scaling is one of the organisation's most important development tasks at present. Moreover, upscaling is closely related to the management and dissemination of the knowledge that IFAD acquires in the projects it supports.

IFAD works closely with the two other Rome-based UN agencies, in particular FAO, but also WFP. IFAD does well in external reviews with regard to collaboration with others, for instance through joint country visits. IFAD delegates research assignments to institutions such as CGIAR, and receives funds to administer from institutions like the EU, OPEC, the World Bank/IBRD, the African Development Bank and the Islamic Development Bank.

In 2010, IFAD's Executive Board adopted a revised Charter of the IFAD Office of Audit and Oversight. The system of internal controls now conforms with the UN system's best practices. The Office of Audit and Oversight investigates possible financial or procedural irregularities and promotes good management and ethical standards. The external auditor (currently Price Waterhouse Coopers), is appointed by and reports directly to the Executive Board. The Board has its own Audit Committee. In 2010, new auditing guidelines were adopted. The MOPAN review gave IFAD good marks for its audit, anti-corruption and risk management functions. The

### 3. Norway's policy towards IFAD

Food security is once again in focus in connection with the latest global rise in food prices. Current prices are now as high as they were in 2008, food stocks are low, and this situation is expected to remain unchanged for some time. The poorest people will be hardest hit by this crisis. One of the main messages emerging from recent discussions in forums like FAO and the World Bank is that these challenges can only be overcome if smallholders increase their food production. We must help the millions of small-scale farmers who are currently unable to fully exploit their production potential to upscale their operations. IFAD is among the best-qualified candidates to take on this task in partnership with poor rural farmers. Increasing production within a sustainable framework, combined with

recently adopted disclosure policy is to ensure transparency in the organisation's operations.

As early as 2005, IFAD adopted its own anti-corruption policy based on a zero tolerance approach. A total of 43 internal and external complaints or allegations were recorded in 2010, an increase of 24 per cent from the previous year. This increase is partly ascribable to IFAD's change to direct monitoring of its own projects. A Sanctions Committee decides what penalties to impose in individual cases. Where relevant, matters are referred to national authorities for follow-up.

In connection with the latest (eighth) replenishment negotiations, IFAD committed itself to implementing a programme of organisational reforms. The main focus areas were developing the organisation's personnel and administration function, financial system, and planning and budgeting system, and expanding IFAD's presence at country level, reducing administrative costs and strengthening risk management. Some of these topics have been discussed above. The Executive Board and IFAD's management still have some work to do with regard to administrative costs and personnel management. The organisation's relatively new management and ongoing reallocations of work responsibilities, etc. may have compounded the challenges. IFAD itself is committed to achieving improvements in these areas.

efforts to facilitate market access, is IFAD's core mandate. On this basis, IFAD will be a highly relevant partner in Norwegian development cooperation in the years to come.

In 2011, IFAD is engaged in negotiations on the ninth replenishment of financial resources for the Fund. Norway is participating actively in the negotiations, which is also an arena for putting important strategic and reform-related issues on the agenda (see above). Continued support for IFAD's efforts to incorporate climate considerations into its policies and practice with a view to promoting climate-resilient agriculture is vital.

# IFAD

International Fund for Agricultural Development

## 1. Facts and figures

**Type of organisation:** UN specialised agency, international financial institution

**Established in:** 1977

**Headquarters:** Rome

**Number of country offices:** 29

**Head of organisation:** President Kanayo F. Nwanze (Nigeria)

**Dates of Executive Board meetings in 2011:** 11–12 May, 14–15 September and 12–14 December

**Norway's representation on Executive Board:** Norway shares a seat on the Board with Sweden on a rotating basis. In 2011, Sweden holds the seat

**Number of Norwegian staff:** 0

**Responsible ministry:** Norwegian Ministry of Foreign Affairs (MFA)

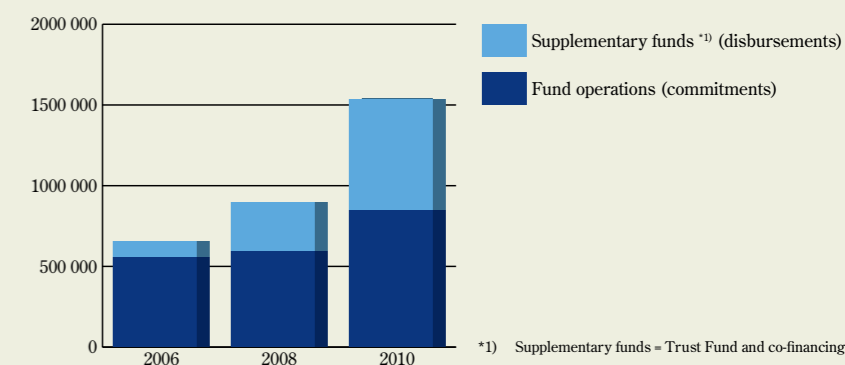
**Website:** www.ifad.org

**The five largest donors of supplementary funds, and Norway, in 2010, in US\$ million:**

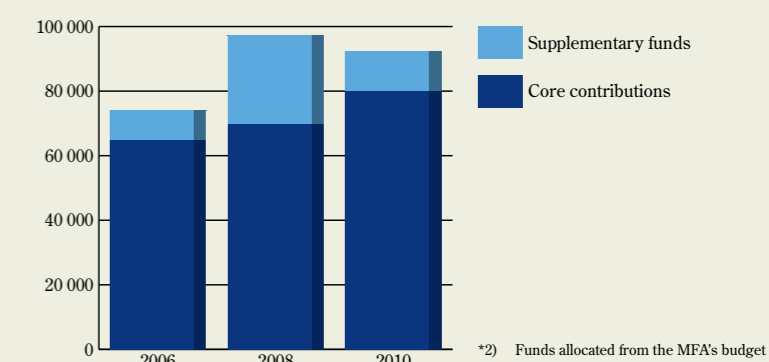
| Giver      | USD <sup>*3)</sup> |
|------------|--------------------|
| 1 EU-CGIAR | 160 192            |
| 2 EU       | 67 514             |
| 3 Italy    | 35 474             |
| 4 UK       | 24 433             |
| 5 Spain    | 13 359             |
| 7 Norway   | 11 041             |

<sup>\*3)</sup> Total Donors' Supplementary Funds 2000–2010 inflow

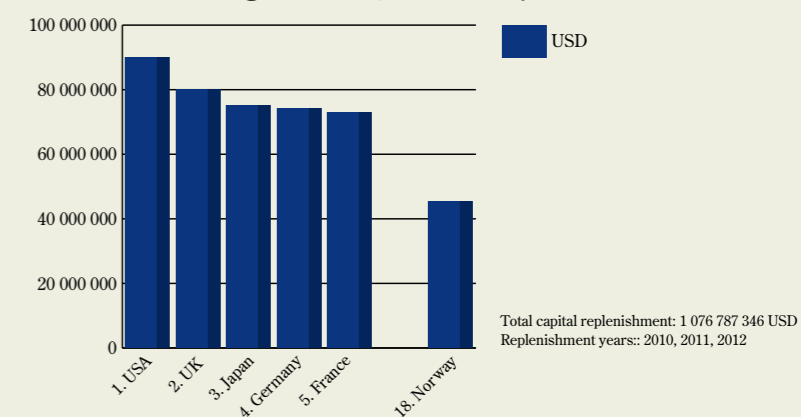
**Total resources (in US\$ 1000), by loans, grants:**



**Norway's contributions <sup>\*2)</sup> (in NOK 1 000)**



**Latest replenishment of the Fund (in US\$ millions) and the five largest donors, and Norway.**



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<http://www.regjeringen.no/en/dep/ud/selected-topics/un>.

### Mandate and areas of activity

IFAD's most important task is to help eradicate poverty and hunger in rural areas in developing countries. Its efforts are aimed at raising the income of the rural poor and increasing food security. IFAD provides loans on favourable terms to poor countries, as well as to middle-income countries with widespread rural poverty. IFAD also provides technical advice and training in the agricultural sector, supports agricultural research and helps to improve market access and market information. The agricultural sector is defined here as farming, animal husbandry, forestry and fishing.

As one of the world's largest providers of loans for rural development, IFAD mobilises resources for its main target group, smallholders. For each krone received by IFAD during its replenishment negotiations, the Fund mobilises six additional krone from other partners (an increase of 140 per cent in the past year). All grants to IFAD are considered to be Official Development Assistance (ODA). IFAD loans are primarily granted on concessional terms, and are subsidised to varying degrees. The funds go primarily to agriculture, natural resource management, financial services in rural areas and the development of infrastructure and markets.

IFAD's financial resources consist of the capital originally deposited in the Fund, revenues generated by investments, repaid loans, and grants from member states and multilateral institutions. The grants are obtained through regular replenishment negotiations, which take place every three years (in 2011), as well as through special allocations (such as Norway's contribution to the indigenous people's programme and to debt relief for Haiti, and its support for special initiatives to promote women's empowerment and gender equality).

IFAD's mode of operation is partnerships. Its partners include multilateral organisations, OECD countries, OPEC countries and developing countries. The stakeholders in the recipient countries are government authorities, organisations for the rural poor and other non-governmental organisations, in addition to the private sector. The loan-financed programmes are implemented by the authorities themselves. IFAD supervises the implementation of the programmes and provides advisory services on both technical and policy matters. IFAD's permanent presence in the member states remains limited, although the number of country offices has increased from one to 29 in the past five years.

### An example of IFAD's work with indigenous peoples and women:

In the past few years, IFAD has sharpened its focus on women's empowerment. An example from Guatemala, the Rural Development Programme for Las Veapaces, shows that targeting women is smart economics. This geographical region, which is primarily populated by indigenous peoples, has been heavily affected by conflict. IFAD systematically included efforts to build women's skills in its programmes, particularly with a view to involving women in agricultural production with a high earnings potential, rather than in the manufacture of more traditional, lower-paid "women's products". A total of 64 000 people, half of whom were women, ensured that the programme reached its income generation targets. The region has shown a visible improvement in the living standard of the average inhabitant. Seasonal migration or permanent relocation is no longer necessary.

### Results achieved in 2010

In the past couple of years, IFAD has established a good, carefully designed results framework. At country level, results show that IFAD contributes to the eradication of poverty. This has been confirmed by reviews such as the UN MOPAN survey and the UK's Multilateral Aid Review (MAR). One of the goals set by IFAD is to ensure that by 2010 at least 90 per cent of all projects reviewed must demonstrate a clear impact on poverty reduction in rural areas. IFAD's own results measurement framework showed an achievement rate of 84 per cent in 2010, while its semi-independent Office of Evaluation found that the results achievement rate was even higher. The relevance of projects, the impact of the work in terms of learning and IFAD's ability to deliver sustainable interventions, i.e. activities that generate long-term positive effects, have improved significantly. At the end of 2010, IFAD was contributing to 230 projects, involving 36 million poor people in rural communities. This was some 7 million more people than the year before.

In connection with the Eighth Replenishment of IFAD's Resources (for 2010–2012), the organisation committed itself to implementing a number of measures to improve its achievement of results and enhance its mode of operation. A great deal has been accomplished to this end, and a certain amount of work remains to be done. IFAD's members are keeping a particularly close eye on the organisation's efforts in the field of human resources development and management. At the end of 2010, IFAD's management presented a human resource plan to the Executive Board. In brief, this plan will entail the appointment and training of a larger number of professionally qualified employees in implementing bodies, more employees in country offices and fewer employees in administrative functions. IFAD is responsible for supervising most of the projects and programmes, although the recipient country authorities have the general responsibility for them. In the field of financial management and administration, however, IFAD has created a separate department. This is a result of substantially increased funding, and IFAD developing new and more varied loan products. A total of 63 per cent of IFAD employees, including hired consultants, are directly engaged in the development and implementation of country programmes. This is well within the objective set for 2012 (65 per cent).

### Among the results achieved by IFAD in 2010:

- 4 million poor women and men received training in the use of simple agricultural technologies
- 28 000 marketing groups increased smallholders' sales
- 21 000 kilometres of roads were constructed or repaired to provide access to markets
- 5 million smallholders received training in the sustainable management of common resources such as water, land and forests
- 49 per cent of the participants in IFAD projects were women

## 2. Assessments: results, effectiveness and monitoring

IFAD is awarded top marks in external evaluations (MOPAN, MAR, Norad) of the organisation's results framework. Since 2008, IFAD has built up a comprehensive system for monitoring results that is of high quality and highly reliable. A results-based approach is applied in allocating funding. Under this approach, a combination of the results achieved and recipient needs are the decisive factors. The reports on results are clearly correlated with the organisation's strategic objectives. The entire results chain is monitored, from input to impact. At the top of the hierarchy are IFAD indicators relating to UN Millennium Development Goal 1 on eradicating hunger and extreme poverty. IFAD's country strategies focus explicitly on results, and the connection between IFAD's efforts and the results achieved can clearly be seen at project, programme/sector and national level. Cross-cutting considerations are also included in the result chain. For example, IFAD now has gender-segregated data, which make it possible to measure the effect of efforts to promote gender equality.

IFAD's Executive Board is actively involved in the dialogue on results, evaluations and monitoring of follow-up and change. The organisation has a solid web-based information system that facilitates follow-up by Board members, donors and member states.

IFAD's Office of Evaluation (IOE) is an internal body, but has an independent mandate. The IOE reports directly to IFAD's Executive Board and the Board's Evaluation Committee. The Board appoints the head of the IOE. The IOE presents its findings in an annual report that maintains a high level of quality. IFAD uses a data recording system to underpin evaluations. The system includes customised indicators for outputs, outcomes and impact. IFAD also has an overarching corporate planning and performance management system in place which covers the factors directly influenced by IFAD's activities.

Cross-cutting considerations such as gender equality, the environment and human rights have a prominent place in IFAD's approach. Relevant indicators have been developed for the results framework, and evaluations also include these elements. Moreover, evaluations have recently been carried out of several of these cross-cutting themes, for example in the fields of gender equality and the environment. IFAD must continue to seek innovative ways of upscaling the good results achieved in small projects.

With regard to gender equality, a great deal is being done right, particularly in terms of promoting women's interests in

productive activities. Norway has played a key role in promoting gender equality in the work of the organisation, as has been recognised by IFAD in many contexts. With particular focus on women in Africa, the programmes have influenced the formulation policies at country level, provided training for IFAD's own employees and those of its partners to improve understanding of the importance of empowering women, and promoted research and the development of methods that will support IFAD's work in the future. Gender equality advisers have been deployed in five regions, so that IFAD-supported projects can draw on their expertise in planning and implementing activities. Furthermore, a women's leadership programme has been established to ensure the participation of and leadership by women in agricultural organisations at both local and national level. At IFAD's annual Farmers' Forum, over half of the delegates were women, representing local groups in all five regions. Globally, 49 per cent of the beneficiaries of IFAD programmes are women. A majority of those who have received training in entrepreneurship, local leadership and animal husbandry are women.

IFAD has developed a more effective approach to environmental issues, and in 2010 established a separate environmental and climate change department. IFAD recently adopted a comprehensive climate change strategy, and a policy for the organisation's work relating to the environment and natural resource management was adopted in 2011.

Indigenous peoples have been a special target group for IFAD for several years. In the past few years, some 20 per cent of IFAD's annual lending portfolio has been channelled into initiatives that include indigenous groups. Norway has supported these efforts by providing special grants.

IFAD's efforts to promote a sense of national ownership and align its activities with the priorities of recipient countries are some of the factors for which IFAD receives positive feedback in external reviews. The organisation makes sure that initiatives are tailored to local contexts, and adapts its technical advisory services to other ongoing activities. The countries themselves are responsible for implementing projects. The relevance of the projects is measured at 98 per cent in IFAD's own results framework.

Sustainability, i.e. ensuring that interventions have a lasting effect, is one of the factors on which IFAD must continue to focus attention. The upscaling of small projects that achieve good results is an area in which further work must be done. In 2010, IFAD commissioned an analysis of scaling up which