



Work-in-Progress: Not for Quotation

Title: Update Evaluation of the Special Evaluation Study on Policy Implementation and Impact of Agricultural and Natural Resources Research

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A. Introduction

1. The Agricultural and Natural Resources Research (ANRR) Policy Paper (1995) articulated the Asian Development Bank's (ADB) approach to supporting research in the agriculture and natural resources (ANR) sector. A Special Evaluation Study conducted in 2000 (SES-2000)¹ on the implementation and impact of the policy concluded that the policy objectives were generally relevant and modalities used in supporting the ANR research were effective towards achieving the overall objective of poverty reduction. The ADB's Audit Committee accepted the findings and recommendations of SES-2000 and asked ADB management to implement them fully.

2. It has been over 8 years since the completion of SES-2000. There have been several changes in the ANR sectors of the developing member countries (DMCs). Emerging concerns include increasing scarcity of land, labor and water for agriculture, the likely impact of trade liberalization, global climate change, and bio-fuels development. How agricultural sector adjusts to these changes and what interventions in the ANRR would contribute more effectively to the achievement of ADB's objectives of poverty reduction and inclusive growth while conserving the natural resources are important questions.

3. ADB has also made several changes in policies, institutional set-up, and operational guidelines since 2000 in relation to ANR sector approaches. Currently, it is in the process of developing the Long-Term Strategic Framework 2008–2020 (LTSF 2008–2020),² in which, sustainable management of natural resources is placed high in the agenda for addressing concerns arising from climate change, among others. Further, recent emphasis among donor community in making aid more effective makes it appropriate to evaluate if support to ANRR is in conformity with the Paris Declaration commitments.³ Hence, it is an opportune time to carry out an update of the previous SES-2000. The broader purpose of the proposed update evaluation is to reassess the relevance of the findings/recommendations of SES-2000, assess

¹ ADB. 2000. *Special Evaluation Study on Policy Implementation and Impact of Agricultural and Natural Resources Research*. Manila. Available: <http://www.adb.org/Documents/PERs/SST-STU-2000-17/Policy-Implementation.asp>

² ADB. 2007. *The Long-Term Strategic Framework of the Asian Development Bank (2008-2020)*, Document Stage: Working Paper, Manila.

³ The international community, including many leaders from across Asia and the Pacific, resolved under the Paris Declaration to take far-reaching actions to reform the ways development assistance is delivered and managed. ADB. 2008. *Draft Special Evaluation Study on the Evaluation of the Implementation of the Paris Declaration at the Asian Development Bank: A Development Partner's Study for an OECD-DAC Joint Evaluation*. Manila.

performance of regional technical assistance (RETA) projects supported since 2000, and modifications needed in ANRR policy particularly in the context of the LTSF 2008–2020.

B. Agricultural and Natural Resources Research Policy at the Asian Development Bank

4. The ANRR policy paper of 1995 articulated ADB's approach to supporting research in this area to promote sustainable and inclusive economic growth in Asian and the Pacific region. The policy paper identifies six main agenda items, which pertain to the sustainable management of natural resources, agricultural productivity gain, and poverty reduction. The policy proposed that ADB provide minimum funding of \$5 million under a single RETA once a year.⁴

5. The RETA modality has been used to operationalize the agenda through support, mostly to international agricultural research centers (IARCs). These centers consist of Consultative Group on International Agricultural Research (CGIAR)⁵ and non-CGIAR international organizations. Under RETA, limited support was also provided to national agricultural research systems (NARS). The IARCs work in almost all of ADB's DMCs and several have their headquarters in Asian DMCs.

6. Since the adoption of the policy, 12 annual RETA projects, each supporting one or several projects (total of 146 projects) targeted to poor have been implemented. So far, the total funding support provided through RETA has amounted to almost \$92 million (Appendix 1). The support was aimed at (i) productivity improvement that includes genetic enhancement and better management practices for food crops, fisheries, livestock, and vegetable; (ii) management of natural resources—soil, water, and forestry; (iii) improving linkages among researchers, practitioners, and policy makers to better disseminate research results; and (iv) capacity development of NARS and improved research networks among the ANR scientists.

C. Brief Overview of the Special Evaluation Study of ANRR Support

7. The Special Evaluation Study (SES) was conducted in 2000 to assess implementation of the ANRR policy as stipulated (footnote 1). The study ascertained that ANRR policy objectives remained generally relevant and consistent with the ADB's poverty reduction strategy. The RETA projects were reported to have played an integral role in fulfilling ADB's operational objectives in participating DMCs. The RETA projects modality has also been reported to be effective to varying degrees, given ADB's overarching goal of poverty reduction and related priorities such as regional cooperation and sustainable environmental management.

8. The SES-2000 also recommended a continued support to IARCs and others institutes. This recommendation was based on estimated high returns on research investments, research outputs of the supported projects, relevance to policy, and overall effectiveness of the annual RETA modality.

9. The specific recommendations were:

⁴ ADB. 1995. *The Bank's Policy on Agriculture and Natural Resources Research*. Manila. p. 14, para 56.

⁵ The Consultative Group on International Agricultural Research (CGIAR), established in 1971, is a strategic partnership of countries, international and regional organizations and private foundations supporting the work of 15 international centers. In collaboration with national agricultural research systems, civil society and the private sector, the CGIAR fosters sustainable agricultural growth through high-quality science aimed at benefiting the poor through stronger food security, better human nutrition and health, higher incomes and improved management of natural resources.

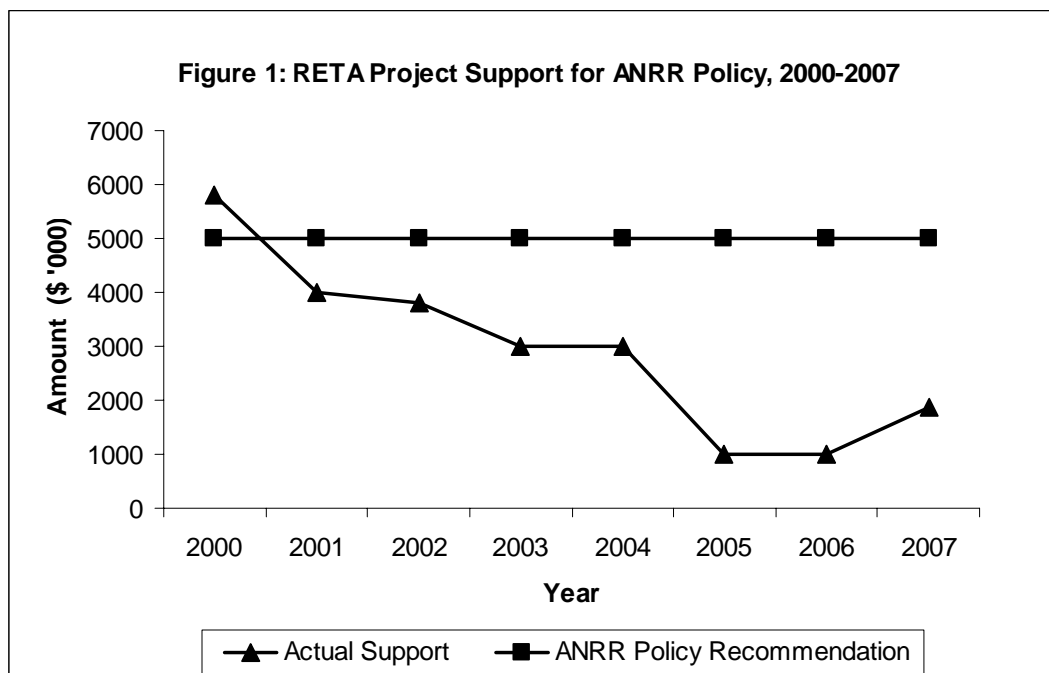
- (i) Refine the ANRR policy for sharper focus to emphasize sustainable pro-poor growth, sustainable management of ANR, enhancement of agricultural productivity, strengthening of NARS capacity, and promotion of public policy reforms.
- (ii) Embark on a two-pronged approach to ANRR by providing grants (RETA) to IARCs, and combination of loan and grant to NARS, universities, and nongovernment organizations. The support to IARCs was recommended to focus on the cutting edge science to achieve another quantum jump in productivity growth and to maintain ADB's role as a leader in funding for the cutting-edge science in the region. The support to the other agencies was to focus on adaptive research based on local needs and production factors.
- (iii) Continue with restricted funding modality but process a cluster of technical assistance projects of total value of about \$20 million in real terms every 3 years.
- (iv) Focus on supporting research on crops and livestock grown under less-favored agro-ecological environment characterized by high poverty incidence.
- (v) Strengthen ADB's institutional capacity to supervise, monitor and evaluate ANRR project activities by providing adequate resources for administration and processing functions.
- (vi) Undertake active policy dialogue with DMC governments to promote ANRR and generate adequate funding support for NARS.

10. In response to these recommendations, ADB management issued a guideline paper that clarified ADB's requirements in research proposals and provided a structure to the project selection process.⁶ The guidelines were aimed at addressing two of the recommendations (i and iv). The rest of the recommendations, specifically those related to strengthening of ANRR and increasing funding support for such activities have not been fully adopted.⁷ The funding for RETA projects in support of ANRR has declined precipitously over the years.

11. Eight RETA projects consisting of 28 individual projects have been supported since the completion of the SES-2000 (Appendix 2). The funding support has generally declined since 2000 (Figure 1). The amount provided was \$3 million in each year during 2003 and 2004, but this was reduced further by \$1 million per year during 2005 and 2006. The 12th RETA approved in December 2007 has provided \$2 million which also has a component of support to ADB's capacity development in ANRR (amount of \$125,000). These RETA projects are cofinanced with IARCs, NARS, and other partners. Most of the RETA projects are on-going; the 6th RETA was completed in 2005, and RETA 5th and 8th were completed in December 2007.

⁶ ADB. 2003. *Guidelines for Project Proposal Submissions as Part of the Agriculture and Natural Resources Research at International Agricultural Research Centers*. Manila.

⁷ There has been partial implementation of the second recommendation on the funding modality. Since 2002 funding for international agricultural research centers (IARCs) has been integrated into a single regional technical assistance (RETA).



ANRR = Agricultural and Natural Resources Research, RETA = regional technical assistance
 Source: Asian Development Bank RETA database.

D. Objective and Scope

12. Despite the past achievements, a slow down in agricultural productivity growth in recent years is an increasing concern. New developments emanating from changes in demographic, economic, and environmental drivers are likely to increasingly affect the future performance of ANR sector. The structure of regional economy is undergoing changes with the expansion of non-farm sector, and general economic growth and development in recent years. There is an increasing competition for land, labor, water, and capital from other economic activities. Emerging opportunities for utilization of bio-fuel are likely to impact in a major way on the capacity of ANR in meeting the food needs as food and energy prices become more linked. An increase in price of staple food is equivalent to a reduction in real income of the poor as food accounts for a large share of their total expenditure (i.e., landless rural and urban poor). Similarly, trade liberalization can have important implications on the comparative advantages of various forms of agriculture among and within DMCs. These developments are already resulting in a major upward move in food grain prices, and such upward trends in prices of basic food grains are likely to negate the progress made in rural poverty reduction in the past.⁸ The likely impact of broader environmental factors such as global climate change on ANR and the impact of agriculture on the environment are also important concerns.

13. The 2008 World Development Report,⁹ which is focused on agriculture, is likely to put the issue of agricultural development back in the main agenda of many development agencies. The report emphasizes the continued importance of technological and institutional innovations in agriculture for productivity growth and poverty reduction.

⁸ Von Braun. 2007. *The World Food Situation: New Driving Forces and Required Actions*. The International Food Policy Research Institute's (IFPRI) Biannual Overview of the World Food Situation presented to the CGIAR Annual General Meeting, Beijing, 4 December 2007.

⁹ World Bank. 2008. *Agriculture for Development. World Development Report 2008*. Washington, D.C.

14. It has been over 8 years since the SES-2000 was conducted. The report justified continued and expanded support for ANRR based on its realized and potential contributions. In addition, the report also made suggestions on improvements in the RETA approach for increasing the impact. A review of funding for ANR research in 2005¹⁰ also asserts that ADB needs to expand its support to these activities. This message is echoed in the ADB's Working Group Paper on Rural Poverty which mentioned that, productivity growth in agriculture is crucial and complacency on food security and agriculture must end.¹¹

15. In addition, ADB has also made several changes in policies, institutional set-up, and operational guidelines since 2000 in relation to ANR sector approaches. Currently, it is in the process of developing the Long-Term Strategic Framework 2008–2020 (LTSF 2008–2020),¹² in which, sustainable management of natural resources is placed high in the agenda for addressing concerns arising from climate change, among others. It also mentions that ADB's operations in the agriculture sector will be primarily with specialized international organizations. This assertion is also in line with the recommendation of recently completed special evaluation study on the achievement of the previous Long Term Strategy Framework 2001-2006, which recommended ABD to strength networking with research institutions and knowledge networks of development partners.¹³ Further, recent emphasis among donor community in making aid more effective makes it appropriate to evaluate if support to ANRR as specified in the policy contributes positively towards fulfillment of ADB's commitments to the Paris Declaration.

16. The specific objectives are as follows:

- (i) To determine the extent of adoption of the SES-2000 recommendations and to ascertain their continued relevance or otherwise in the current context.
- (ii) To determine the relevance and effectiveness of ANRR support provided since 2000 and key determinants of effectiveness.
- (iii) To determine the extent to which ADB has used the findings of ANRR supported projects and included these in its country operations and/or contributed to knowledge dissemination.
- (iv) To assess the future relevance of support for ANRR in the context of current ANR issues, ADB's current and emerging corporate strategies, and the emerging international aid architecture, specifically Paris Declaration commitments.

E. Approach and Methodology

17. The preparation of this Approach Paper is based on a desk review of (i) ADB's ANRR policy documents; (ii) Operations Evaluation Department's (OED) SES-2000; (iii) review of RETA projects for ANRR to date, IARCs and NARS policy, and ADB documents; and (iv) interaction with OED staff and other knowledgeable staff on the topic. The proposed update SES-2008 will be conducted using a combination of (i) document reviews, (ii) mail questionnaire to RETA beneficiary IARCs and DMCs' national research systems, and (iii) key informant interviews with staff of ADB, selected IARCs and national ANR research systems. It is too early to conduct a quantitative assessment of impact as most of the research projects funded by the

¹⁰ ADB. 2005. *Funding for Agriculture and Natural Resources Research: Is There Still a Role for the ADB?* Manila.

¹¹ ADB. 2007. *Rural Poverty Reduction and Inclusive Growth. Draft Report of the Working Group on Rural Poverty.* Manila.

¹² ADB. 2007. *The Long-Term Strategic Framework of the Asian Development Bank (2008-2020)*, Document Stage: Working Paper, Manila.

¹³ ADB. 2007. *Special Evaluation Study on the Long-Term Strategic Framework: Lessons from Implementation (2001–2006)*. Manila.

post-2000 RETA projects are on-going. However, the possibility of using information from those that were completed before 2000 but not included in SES-2000 will be considered. The guide questions for addressing the update evaluation objectives, identification of information needs, and data collection methods and analysis are presented in Appendix 3.

18. **Document reviews.** The document review will be the initial source of information. The review will help determine the extent of adoption of the findings and recommendations of SES-2000 and identify the key issues related to ADB support in ANRR, and potential impact and future opportunities. It will help identify the extent to which recent RETAs are aligned with the overall DMCs' country poverty reduction strategies and ADB country operations. The review will also include the policies and strategies of IARCs and other institutes supported, and recent achievements and performance particularly related to ADB RETA projects since the completion of the SES-2000.

19. **Key Informant interviews.** A semi-structured questionnaire will be used to interview the regional department project staff supporting RETA projects, other projects, and those working on ANR sector development. The main purpose of the interviews is to obtain staff perspectives on (i) adequacy and relevance of support, (ii) effectiveness of current modalities used, and (iii) suggestions for alternative means to support ANRR. This would be one of the key sources of information for recommendations for future ADB support to ANRR. In addition, interviews are also planned with staff from beneficiary IARCs and NARS.

20. **Client Survey of IARCs and NARS.** A mail survey will be conducted with the IARCs and NARS beneficiary of the RETA projects and other projects approved since 2000. A structured questionnaire consisting mainly of open-ended questions, tailored to each project, will be emailed to each of those IARCs and NARS. As most of these RETA projects and other projects are on-going, the main objectives of the survey are to obtain updates on the outputs, potential outcomes, and impact of the projects. Depending on project objectives, evaluation questionnaire will be designed to link how research outputs are contributing (or likely to contribute) towards reducing poverty in less favored environment in agro-ecological areas characterized by high incidences of rural poverty and if such benefits are sufficiently widespread (socially inclusive).

F. Schedule and Resource Requirements

21. To the extent possible, the interviews with staff from the RETA beneficiary IARCs and NARS will be conducted to coincide with the team leader's mission in those countries for other evaluation studies. One separate mission for the Team Leader outside Philippines is envisioned for the update study. An international consultant will be hired for 60 person days to assist the Mission Leader to accomplish the task. The terms of reference for the consultant are presented in Appendix 4. The resource requirement for the study is presented in Appendix 5.

22. The update evaluation SES-2008 will adhere to the following schedules and output milestone:

Approach Paper	I February
Missions and Information Collection Completed	IV May
Peer review	IV July
Interdepartmental review	II August
Report finalization	IV August

- attachments: Appendix 1: List of RETA Projects to Support Agricultural and Natural Resources Research Projects Supported by ADB, 1975–2007
- Appendix 2: Agricultural and Natural Resources Research Projects Cofinanced by ADB and Partners, 2000 to 2007
- Appendix 3: Evaluation Design Matrix
- Appendix 4: Terms of Reference for an International Consultant