

IFAD's experience in scaling up in Asia and the Pacific region

Lessons learned from successful projects and way forward

18

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**IFAD's experience in scaling up in
Asia and the Pacific region:**

Lessons learned from successful projects and way forward

by

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International Fund for Agricultural Development
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18



Investing in rural people

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Acronyms

ARC	Agrarian Reform Communities
BISP-ST	Biodiversity Sector Programme for Siwaliks and Tarai
CHARMP2	Second Cordillera Agriculture and Resource Management Project
CONVERGE	Convergence on Value Chain Enhancement for Rural Growth and Employment
COSOP	country strategic opportunities programme
DFID	U.K. Department of International Development
FAO	Food and Agriculture Organization of the United Nations
FEDEC	Finance for Enterprise Development and Employment Creation Project
GDP	gross domestic product
HLFFDP	Hills Leasehold Forests and Forage Development Project
IFAD	International Fund for Agricultural Development
IOE	Independent Office of Evaluation (IFAD)
LAF	Livelihood Assistance Fund
LFLP	Leasehold Forestry and Livestock Project
MFMSFP	Microfinance for Marginal and Small Farmers Project
MFTSP	Microfinance and Technical Support Project
M&E	monitoring and evaluation
NARC	Nepal Agricultural Research Council
NERCORMP	Northeast Region Community Resource Management Project
NERLP	North East Rural Livelihoods Project
NMCIREMP	Northern Mindanao Community Initiatives and Resource Management Project
PACE	Promoting Agricultural Commercialization and Enterprises
PAF	Poverty Alleviation Fund
PKSF	Palli Karma Sahayak Foundation
RB-COSOP	results-based country strategic opportunities programme
RIMS	Results and Impact Management System
SGPRP	Southern Gansu Poverty Reduction Project
SNV	Netherlands Development Agency
TLMSP	Timor-Leste Maize Storage Project
WGPAP	Western Guangxi Poverty Alleviation Project
WUPAP	Western Uplands Poverty Alleviation Project

Foreword

The Asia and the Pacific region includes the world's fastest growing and most dynamic countries and is a key driver of growth in the world economy. Deep and rapid structural transformation, the presence of large emerging markets, high remittances and strong demand for exports combined to ensure economic growth rates in 2016 of between 6 and 7 per cent. Importantly, strong growth has led to rapid declines in poverty and has even benefited rural populations, with more people producing higher-value products such as vegetables, livestock and fish. Extreme poverty has declined faster in the eastern part of this region more than in any other part of the world. In South Asia, the decline has also accelerated in recent years. Nevertheless, there is no room for complacency. Asia and the Pacific is still home to two thirds of the world's poor people. Regional disparities persist: remaining poverty is increasingly a rural phenomenon, and its eradication is further complicated by rising income inequality between and within rural and urban areas. Countries across the region continue to suffer from extreme forms of social exclusion. Vulnerability to climate change and associated natural disasters and a gradual degradation of the productive resource base are becoming ever-increasing problems. These are formidable challenges that must be overcome if the region is to continue to be a powerful engine for global growth and prosperity. IFAD continues to see smallholder agriculture as the ideal entry point to address these urgent development challenges and considers rural producers to be the primary catalysts in the process of inclusive and equitable rural transformation.

With the launch of the Sustainable Development Goals and the embracement of Agenda 2030 in Addis Ababa in 2015, the international community has embarked on an ambitious path of international cooperation that is designed to lead to the global eradication of poverty and hunger, to shared prosperity and to a world economy in which industrialization and food security will not be achieved at the expense of the sustainability of the planet's carrying capacity and ecosystems. The renewed willingness of the international community to step up its engagement in the global sustainable development agenda is an important sign of its awareness of the magnitude of the challenges that lie ahead. At the same time, there is increasing awareness that maintaining the gains so far achieved will gradually require a shift by development partners, including IFAD, away from current business practices. Resources from official development assistance will remain limited, and perhaps even become scarcer, particularly in rapidly developing regions.

Confronted with the huge challenge of eradicating rural poverty and fostering viable and sustainable agricultural systems, IFAD clearly regards the scaling up of successful development results as "mission critical". It is crucial that while IFAD-supported development investments continue generating appreciable results on the ground, they also add further value by identifying enhanced models and practices that can be brought to the benefit of all poor rural people. A successful scaling up of development results in this sense cannot be the simple geographical expansion of existing projects, however successful these have been. Scale can only

be achieved through operations that have been successful in provoking policy and institutional changes, in triggering additional resources and partners' commitments and in generating innovative learning. In short, it is about shifting "from a project-centric approach to one that spurs change in the institutional, policy and economic environment in which rural poverty exists".¹

IFAD is working with its partner countries in identifying, implementing and scaling up innovative approaches, technologies and practices in agricultural and rural development. While there is no silver bullet or sure recipe for how to successfully scale up development models, learning from what has worked well is a key ingredient. This publication reviews lessons learned from six case studies of innovations that were piloted initially at a local level in varying development and institutional contexts and were subsequently scaled up. It describes the innovations that the investments promoted and examines the scale these innovations were able to reach, the key drivers of their scaling up, the role played by knowledge management and the importance of monitoring and evaluation systems in providing policymakers with the required evidence. While successful scaling up hinges on a number of favourable circumstances, often fortuitously given, it is at the same time something that needs to be nurtured strategically from the very start and pursued relentlessly. Successful scaling up requires strategic vision from the outset and determined commitment by government and development partners. While knowledge and evidence-based policymaking are key aspects, the set of driving forces can be quite complex. Above all, however, it can really only work if the participating rural communities fully come to own the innovations and become catalysts and drivers in the process.

1 IFAD's Operational Framework for Scaling Up Results, IFAD, 2015.

Introduction

In the last several years, significant progress has been made in reducing both the number of women and men who live in poverty and the total number of undernourished people worldwide (FAO 2013). Evidence suggests that good agricultural performance has significantly contributed to this success. Indeed, evidence shows that agricultural investments are up to three times more effective in reducing poverty than investments in other sectors (World Bank 2007). A study carried out by IFAD showed that 1 per cent growth in per capita agricultural value added resulted in 2.13 per cent per capita gross domestic product (GDP) growth (Imai, Gaiha and Thapa 2011).

With a mandate to reduce rural poverty in developing countries, IFAD – a specialized United Nations agency and an international financial institution – is working with member governments and other development partners to stimulate agricultural growth and rural development. Although IFAD is the only international financial institution with a mandate to reduce rural poverty through agricultural and rural development, it accounts for less than 5 per cent of official development assistance in the agriculture and rural development sector. Confronted with a gap between its small size and the enormous challenge of lifting 900 million poor people out of poverty, IFAD has made scaling up “mission critical” to enhance its impact and improve the lives of even more poor rural people. It has set a goal of lifting 80 million out of poverty during IFAD's Tenth Replenishment Period 2016-2018. Reducing poverty requires systemic solutions and IFAD-supported projects must develop those solutions. Scaling up is a crucial mechanism for ensuring the sustainability of project support.

The development community's interest in scaling up is not new. During the 1980s, as non-governmental organizations (NGOs) began to get involved in development activities, the issue of scaling up began to emerge. Since NGO interventions are usually small in scale and they often pilot new approaches, the question of how to replicate and scale up successful approaches promoted by NGOs gained prominence during that time (Hartman and Linn 2007). In 2004, the World Bank, in collaboration with the Chinese Government and other development partners, organized the Shanghai Conference on Scaling Up Poverty Reduction, in which more than 100 case studies were prepared from several countries to share knowledge and experiences.

Until 2006, IFAD emphasized innovative projects and approaches as a key measure of its success, but little attention was paid to systematically replicating and scaling up successful innovations. Since 2007, IFAD has recognized the need for scaling up successful development interventions in order to maximize its impact on poverty reduction. IFAD's 2007-2010 Strategic Framework states that “...innovation without scaling up is of little value”, and IFAD's Innovation Strategy (2007) states that “...effective scaling up is a key measure of successful innovation”. In 2009, IFAD commissioned the Brookings Institution to review its experiences with scaling up and assess its operational strategies, policies and processes in order to strengthen its approach. The study illustrated that (Linn et al. 2011):

- IFAD has identified innovation and scaling up as an institutional goal in strategy documents, along with innovation and learning;
- IFAD has had some good examples of scaling up that provided useful lessons, but its operational experience needed to be more fully assessed;
- Despite some successes, scaling up was not a common practice in IFAD's programmes; and
- IFAD needed a systematic approach that incorporated scaling up into its operational policies, processes, instruments, evaluations, resource allocation and staff incentives.

Since 2010, IFAD has taken several steps to incorporate scaling up into operational practices and knowledge management. These include:

- An organization-wide evaluation of innovation and scaling up undertaken by IFAD's Independent Office of Evaluation (IOE) in 2010, which defined scaling up as "mission critical" (IFAD 2010a);
- IFAD's Strategic Framework 2011-2015 and the Ninth Replenishment of IFAD's Resources (2013-2015), which identified scaling up as a core strategic objective for IFAD;
- New country strategic opportunities programme (COSOP) guidelines reflecting the need to scale up;
- A results measure for scaling up in IFAD's Results and Impact Management System (RIMS), which is systematically considered in COSOPs and in institutional review processes such as quality enhancement and quality assurance;
- IOE's new evaluation guidelines, which include scaling up as a criterion for evaluation;
- IFAD's annual portfolio review and Annual Report on Results and Impact of IFAD Operations (ARRI), which now report on progress with scaling up in IFAD country programmes;
- Case studies carried out in Albania, Cambodia, Ethiopia, Ghana, Peru, Philippines, Republic of Moldova and Viet Nam to document these countries' experiences with scaling up (Hartman et al. 2013); and
- Four analytical studies covering: (i) country-based scaling up processes and partnerships; (ii) institutional dimensions and capacity building; (iii) results management and monitoring and evaluation; and (iv) value chains (Hartman et al. 2013).

In an effort to step up its effectiveness in scaling up during the Consultation on the Tenth Replenishment of IFAD's Resources, the Fund presented its methodology for scaling up results (based on the previous work by the Brookings Institution). The methodology proposed a shift from a project-centric approach towards country programmes that better integrate project financing, policy engagement and knowledge management into a longer-term development horizon that extends beyond the scope of projects. This perspective looks beyond what project financing can do to what resources it can leverage and what partners can be mobilized to bring results to scale in a sustainable manner.

To assist in implementing this agenda, IFAD developed documentation to guide staff to systematically think about the scaling-up potential in designing and implementing projects and programmes. These include: (i) thematic notes to guide scaling up in key thematic areas; (ii) national-level documentation to guide scaling up in different country contexts; and (iii) an operational framework aimed at defining how scaling up can be embedded into IFAD's business processes and procedures. IFAD is unique among development agencies in that scaling up successful innovations is an institutional goal. The Fund has adopted the following definition of scaling up:

"Scaling up means expanding, adapting and supporting successful policies, programmes, and knowledge in order to leverage resources and partners to deliver larger, more sustainable results for a greater number of rural poor people."

This definition is deliberately broad and not only entails increasing the scale of small projects, but describes any intervention that has multiplier effects on a larger scale, such as policy and institutional reforms. The definition covers both scaling up projects with IFAD support and proactive efforts by IFAD to assure that successful interventions are scaled up by others.

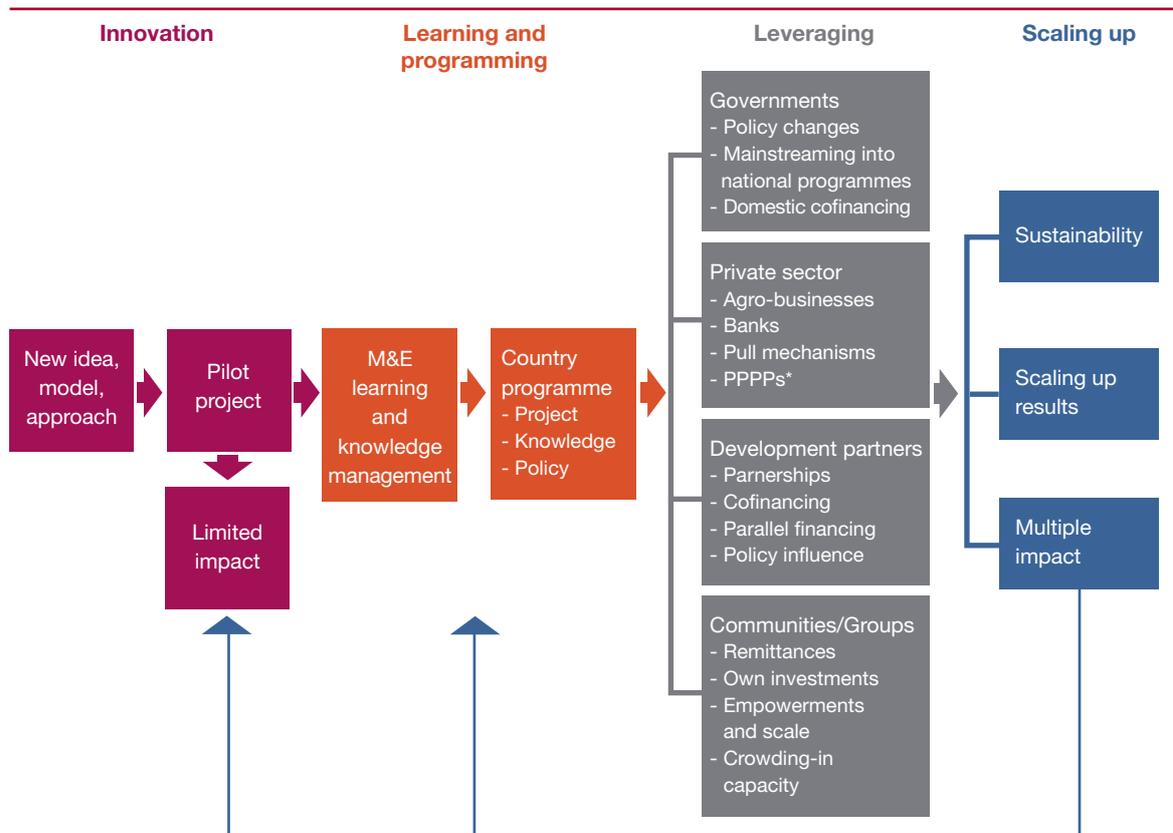
Pathways of innovation, learning, leveraging and scaling up

There are several pathways for scaling up a successful innovation. The following three components are critical parts of the dynamic and interactive process of development shown in Figure 1.

In the innovation phase, a new idea, model or approach is pilot tested in a project; by itself, this approach has a limited impact. Innovation involves demonstrating new ideas or practices, including:

- Technical innovations, such as new varieties of crops, cultivation techniques, etc.;
- Process innovations such as in mobilizing communities and new techniques for training farmers;
- Delivery techniques, such as getting information or access to marginalized communities;
- Institutional innovations such as creating alternatives to missing markets in the supply of inputs, marketing, delivery and sale of outputs, and access to technology; and
- Innovative policies, such as legal and regulatory frameworks for land ownership and use, natural resource management and financing.

Figure 1
Innovation, learning, leveraging and scaling up linkages



* Public-private-producer partnerships

After the innovation has been tested and evaluated, 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 (i.e. projects, policies and knowledge). The rationale is that evidence-based results provide an incentive to leverage additional resources from governments, the private sector, other development partners and rural communities themselves. A robust evidence base also leads to broader partnerships that can achieve policy changes and other sustainable impacts. Experiences from scaling up lead to new ideas and learning. The dynamic nature of scaling up is illustrated in Figure 1 above.

These processes are not linear but are parts of an integrated cycle. As shown in Figure 1, there are several feedback loops between learning, scaling up and innovation. Monitoring and evaluation (M&E) often generate new ideas for improved design and implementation, and the scaling-up process often requires adaptation and innovation in order to bring the original idea to scale.

There are four different dimensions of scaling up. First, it can expand services to more beneficiaries in a given geographic area. Second, it can replicate services from one geographic area to another. Third, it can add additional functions or areas of engagement. Fourth, it can comprise a move from a local to national-level engagement, usually involving policy dialogue. Successful scaling up often occurs in multiple dimensions concurrently.

Drivers of scaling up

Several factors play important roles in the scaling up of successful innovations. The drivers, or forces pushing the process forward, can include leadership and incentives (Linn et al. 2010). Other important factors that drive the scaling-up process include: (i) **ideas and models** that emerge from research and practice, which work on a small scale and have the potential for expansion; (ii) **vision and leadership** to recognize that scaling up a new idea is desirable and feasible; (iii) **external catalysts** such as outside development partners or internal political or economic crisis; and (iv) incentives, which are essential to motivate actors and institutions to scale up their work.

Role of knowledge management in scaling up

IFAD's Knowledge Management Strategy, approved in 2007, states that IFAD will share information and knowledge related to rural poverty in order to promote good practices, scale up innovations and influence policies. The IFAD-commissioned study on scaling up (Linn et al. 2010) outlined many lessons and recommendations for the organization. To thoroughly understand the many challenges and opportunities inherent in IFAD's work – and more systematically scale up its successes – operational, technical and analytical knowledge must be shared across projects, countries and regions, and with IFAD's partners.

With this in mind, IFAD's Asia and the Pacific Division has championed knowledge management. Major initiatives undertaken thus far include: (i) IFADAsia, a publicly accessible Internet platform where partners can share project experiences, innovations and lessons learned; (ii) publications such as newsletters, occasional papers and country case studies; and (iii) events and conferences.

Ongoing discussions on the redesign of this knowledge platform aim to make it more effective and sustainable. But while a lot of knowledge has been gathered at the project level, there is no regional or global knowledge compilation. The foremost challenge is the lack of resources and capacities. Yet, knowledge management is becoming increasingly important with changes in the way IFAD works and a new focus on added value of expertise rather than simply funding. Despite all the efforts being made in this area, challenges remain in using IFAD's knowledge effectively and documenting the results.

Role of results-based management and monitoring and evaluation

Decision makers require compelling evidence if they are to make the decision to scale up successes. In addition to strong knowledge management, a results-based management approach grounded in effective M&E is an essential ingredient for scaling up.

IFAD's focus on managing for results is underpinned by several results management and M&E tools. At the policy and strategic levels, IFAD develops clear results frameworks in its country intervention strategies in consultation with governments and other partners. This ensures that IFAD-supported interventions are embedded within countries' own poverty-reduction targets and programmes.

At the operational level, IFAD provides support to projects setting up project M&E systems that include tracking of outputs, assessment of project outcomes and measuring impact over time. Project output and outcome data are generated using IFAD's Results and Impact Management System (RIMS), quantitative tools such as impact and outcome surveys, and qualitative assessments such as focus group discussions and

key informant interviews. These tools feed learning processes and facilitate corrective actions to overcome challenges.

Together, these M&E processes and tools provide a comprehensive set of instruments for assessing and communicating project results to decision makers. With tools such as IFAD's Guide to Project M&E and the Asia and the Pacific Division's M&E Toolkits and Sourcebook, IFAD is continuing to improve its approach to results-based management and evidence-based learning and policymaking, which facilitates the scaling up of successful innovations. IFAD is also making efforts to enhance national M&E capacity through grants and other initiatives.

IFAD's experience with scaling up in Asia and the Pacific region

Building upon project experiences and taking successful innovations to scale have been at the core of IFAD's recent work in the Asia and the Pacific region. The six cases presented in this publication highlight some of the many modalities that have been used to achieve this. They include:

- Scaling up successful aspects of IFAD-supported loan project innovations through subsequent IFAD loan projects;
- Government efforts to scale up successful innovations generated by IFAD-supported loan projects;
- Development partners' efforts to scale up successful innovations generated by IFAD-supported loan projects; and
- Scaling up successful IFAD grant-funded innovations by integrating them into IFAD-supported loan projects.

India: Northeast Region Community Resources Management Project (NERCORMP)

Brief project description and impact

The Northeast Region Community Resources Management Project (NERCORMP), which ran from February 1999 to September 2008, was jointly funded by IFAD and the Government of India at a total cost of US\$32.2 million. Of this total, US\$22.9 million was provided as an IFAD loan and the rest was contributed by the Government and beneficiaries (IFAD 1997). The project was led by the North Eastern Council under the Ministry of Development of the North Eastern Region and supported by several NGOs. It covered two districts in each of the three states of north-east India – Assam, Manipur and Meghalaya. Its goal was to sustainably improve the livelihoods of vulnerable groups through natural resource management that contributes to preservation and restoration of the environment. It should be noted that the project area was affected by conflict for many years.

The project: (i) built the capacity of communities and participating agencies, and supported gender mainstreaming; and (ii) promoted income-generating activities such as organic agriculture and horticulture, livestock production and fisheries, and off-farm activities, with a focus on business development and marketing of products. It also developed rural infrastructure such as village roads and rural electrification, and created health and sanitation assets like drinking water supply. Finally, the project promoted community-based biodiversity conservation and natural resource management.

The project covered 39,161 households in 860 villages, forming 1,012 natural resource management groups and 3,168 self-help groups. It also promoted higher-level associations of these groups, including 103 natural resource management cluster associations and 103 self-help group federations. The self-help groups' membership included 50,690 women. The project benefited 195,800 individuals directly and 234,900 indirectly. This included 21 major tribal or indigenous communities – at least 60 per cent of which were shifting cultivators – and 50 partner NGOs.

An independent evaluation of the project in 2006 concluded that it had a significant impact on poverty reduction by improving the livelihoods of beneficiaries despite a very difficult operating environment (IFAD 2006). A wealth-ranking exercise conducted at project completion showed that out of 86 per cent of households that were below the poverty line at project start-up, only 18 per cent remained poor at project completion.

Another independent impact assessment of NERCORMP was carried out in March 2013 (NEDFi 2013). Some of the major impacts highlighted by this assessment are detailed below.

- The average annual income of participating households almost doubled over the life of the project, from INR 22,919 to INR 49,144. This 102 per cent increase in income compares to an increase of only 27 per cent for non-beneficiary households.
- Cropping intensity increased from below 100 per cent to between 118 per cent and 140 per cent in districts where the project was implemented; household

employment increased from 115 days worked per year to 176 days per year. In control villages, employment increased from 110 days per year to 146 days per year.

- In terms of food security, 94 per cent of project households reported that they consumed more food than before, and 87 per cent reported that the quality of food they consumed had improved, with greater consumption of vegetables, fruits, meat and fish. This compared with 55 per cent and 47 per cent respectively in control villages over the same period.
- Gender impacts were impressive: in project villages, 85 per cent of women reported participation in village-level decision-making, compared with 65 per cent in control villages. In addition, 39 per cent of women reported that their workburden had been reduced considerably, compared with 16 per cent in control villages.

What was scaled up and how?

NERCORMP successfully implemented an integrated approach to reducing poverty among the tribal population in north-east India, creating a genuine partnership among all stakeholders. This ensured that project interventions were truly demand-driven and client-oriented in line with the indigenous knowledge and capacities of the people it assisted. The project was implemented in a transparent manner that ensured accountability. Participatory village-level natural resource management groups strengthened this approach, and considerable attention was paid to gender mainstreaming.

NERCORMP II. The success of NERCORMP led to three different scaling-up initiatives. The first, NERCORMP II, replicated and expanded interventions promoted by NERCORMP in adjoining villages following the same design and methodology as NERCORMP. Jointly funded by IFAD and the Indian Government from 2010 to 2017, the total project cost is US\$32.9 million, of which IFAD provided US\$20.13 million. NERCORMP II covers 460 villages that were not included in NERCORMP to reach 20,826 households and form 494 natural resource management groups and 1,589 self-help groups with approximately 22,200 women members. The project also provides support in villages covered by NERCORMP related to market linkages and sharing experiences with NERCORMP II villages. Many NERCORMP villages have been identified as “training grounds” for NERCORMP II. In addition, NERCORMP II has included nine natural resource management group federations from NERCORMP as partners.

NERLP. The North East Rural Livelihoods Project (NERLP) is a US\$130 million World Bank-funded project with US\$14.4 million in co-funding from the Government of India. It is being implemented in the states of Mizoram, Nagaland, Sikkim and Tripura in north-east India from 2011 to 2017, covering two districts in each state (World Bank 2011). NERLP is scaling up NERCORMP’s successes, such as natural resource management groups and self-help groups for community planning and implementation. One of the most important aims of NERLP is to scale up innovative approaches to poverty reduction and food security, as successfully demonstrated in NERCORMP. During project design in 2008 and 2009, the World Bank team visited NERCORMP project staff to better understand the project’s approach and experiences. NERLP covers nearly 300,000 households in 1,642 villages.

NERCORMP III. This project, funded by the Indian Government in 2013 and launched in January 2014, covers Tirap, Changlang and Longding Districts in Arunachal Pradesh and Chandel and Churachandpur Districts in Manipur until 2020.

With a total budget of US\$90 million, the project aims to benefit 58,850 households in 1,177 villages. It is being implemented by the North Eastern Council – the same organization implementing NERCORMP II.

NERCORMP III has adopted the same approaches and implementation strategies as NERCORMP and NERCORMP II, and has the same programme components. It is the first tribal development programme to be implemented in Arunachal Pradesh. While NERCORMP I and II covered Ukhrul and Senapati Districts in Manipur, NERCORMP III is being implemented in two new districts – Chandel and Churachandpur.

Major drivers of scaling up

There were several important drivers that facilitated the scaling-up process. **First**, the project was able to demonstrate a successful development model for a tribal region in India. The project's integrated approach to the social and economic empowerment of rural poor people involved participatory management of natural resources with a focus on capacity building, institutional strengthening and women's empowerment. An independent evaluation of the project in 2005 concluded that NERCORMP was a successful development intervention that created a huge impact by providing alternative livelihood opportunities, which led to increased incomes and reduced dependency on shifting cultivation.

Second, there was a high level of political commitment to expand the coverage of the successful approach promoted by NERCORMP. The project completion workshop in September 2008 was chaired by the Union Minister of Development of the North Eastern Region. Impressed by the stories of rural women and his subsequent visit to project sites, the Minister made a political commitment to continue project funding by the Indian Government. In fact, in the interim period between NERCORMP and NERCORMP II (from September 2008 to July 2010), the Government provided funding to retain NERCORMP staff and continue the momentum of this development intervention.

Third, the government also saw the project's potential contribution to peacebuilding in areas with active insurgencies and social conflict. An internal assessment of India's Ministry of Home Affairs concluded that wherever NERCORMP was implemented, the project team experienced minimal interference from insurgents and other parties to conflict. This was especially the case in Manipur, which has a high level of insurgency and poor communication. It was also observed that project activities had created an alternative source of income for communities, especially young people. This alternative livelihoods approach had discouraged youth from getting involved in anti-social activities.

The Government considered NERCORMP to be the only project that could operate in conflict areas and contribute to peace among different ethnic groups by bringing them together under the umbrella of natural resource management groups. As a result, the Ministry of Home Affairs requested that the Government continue the successful NERCORMP model in a wider geographic area.

Fourth, success stories from NERCORMP have been widely shared by the North Eastern Council at regional forums. This has led other states in the region to demand similar development interventions. The World Bank-supported NERLP was designed and implemented precisely to meet these demands. The IFAD country office and NERCORMP staff also shared NERCORMP's successes at national and regional conferences attended by government officials and civil society representatives. This helped to create awareness about the development model promoted by the project.

Fifth, the independent evaluation of the project by IFAD's IOE in 2006 clearly illustrated the positive impact of the project's development model for social and economic empowerment in tribal areas of north-east India. This gave credibility to the project's successes, which were also documented in project supervision reports and the project completion report.

Lessons learned

Important lessons from NERCORMP can facilitate both the successful implementation of other development projects and their scaling up for greater impact. For example, it demonstrated the importance of grassroots social institutions such as natural resource management groups, which provide opportunities for all members – including the poorest people – to participate in village development. Democratic leadership ensured the efficiency, transparency and sustainability of these institutions.

The strong participation of women in these groups assisted in planning and decision-making during implementation. The mandatory requirement to include 50 per cent women in natural resource management groups was important since women's participation was traditionally limited. The project design made provisions for sensitizing men to gender issues, thus paving the way for women's participation in decision-making.

Another important lesson was to involve NGOs in the social mobilization process, including the formation of self-help groups and natural resource management groups, since government agencies have limited capacity for such work. The project highlighted the complementary impact of social activities on the livelihoods of rural poor people. For example, interventions to provide villages with clean drinking water had a positive impact on the economic sector, resulting in increased conservation of water catchments, improved livestock management, the cultivation of off-season vegetables in home gardens and better household health and hygiene.

Another lesson was that it is critical to instill a sense of **ownership of the project within beneficiary communities**, which ensures that assets created through the project are maintained. In NERCORMP, communities set up management committees to oversee project activities – particularly those related to infrastructure and social assets. This was further strengthened by household contributions to the maintenance of assets created.

The lessons learned from this project underscore the importance of credibly demonstrating a successful development model. In the case of NERCORMP, the independent evaluation clearly established the success of this development intervention. The project completion report prepared by the government and annual supervision mission reports provided supporting evidence of its success.

Strong political commitment is necessary to create both a conducive policy environment and a favourable fiscal space for scaling up. Both the national Government (Ministry of Development of North Eastern Region, Ministry of Home Affairs, and the North Eastern Council) and state governments showed strong commitment to scaling up NERCORMP in new districts by allocating additional financial and human resources. This political commitment also encouraged development partners such as IFAD and the World Bank to commit resources for scaling up. Since NERCORMP made efforts to ensure convergence of its activities with those of government agencies, existing institutions and infrastructure provided a good basis for scaling up.

Way forward

This case study shows that NERCORMP's integrated approach to poverty reduction through participatory natural resource management and gender mainstreaming was internalized by the Government and has influenced national policy for tribal areas in the seven north-eastern states of India.

Upon the completion of NERCORMP II in September 2016 (with project closure by March 2017), the project team will approach both IFAD and the Government to support a much larger NERCORMP IV, which will reach all villages in the NERCORMP II districts and expand to other states in the north-east not covered by NERLP.

Fast facts: India – Northeast Region Community Resource Management Project (NERCORMP)

- NERCORMP successfully implemented an integrated, demand-driven approach to reducing poverty among the tribal population in north-east India.
- An independent evaluation of the project concluded that it had a significant impact on poverty by improving the livelihoods of poor people in a difficult environment.
- Following the project's success and adopting its approach, three different scale-up initiatives were initiated, including: a follow-up project supported IFAD, a new World Bank project and a project funded by the Government of India.
- NERCORMP: IFAD loan US\$22.9 million, Government of India US\$5.6 million, banks US\$1.2 million, beneficiaries US\$3.5 million, total US\$33.2 million; covering 39,161 households; cost per beneficiary household US\$817.
- NERCORMP II: IFAD loan US\$20 million, Government of India US\$14.9 million, banks US\$2 million, beneficiaries US\$1.3 million, total US\$38.2 million; covering 20,826 households; cost per beneficiary household US\$1,580.
- NERLP: World Bank loan US\$130 million, Government of India US\$14.4 million, total US\$144.4 million; covering 300,000 households; cost per beneficiary household US\$481.
- NERCORMP III: Government of India US\$90 million, total US\$90 million; covering 58,850 households; cost per beneficiary household US\$1,529.
- As a result of scaling up NERCORMP, the initial IFAD loan of US\$22.9 million was used to leverage an additional US\$139.8 million from the Government (a ratio of 1:6.1) and US\$130 million from another development partner (a ratio of 1:5.68) – a total additional investment of US\$272.6 million with a ratio of 1:8:2.
- The **main drivers** of scaling up included the demonstration of a successful development model for India's tribal region, a strong political commitment to expand coverage based on success and the Government's realization of the development model's potential for peacebuilding in areas with active insurgency.
- **Important lessons** from the project include: the need to promote grassroots social institutions such as natural resource management groups as platforms for the poorest people to participate in village development; the importance of women's empowerment; the need to involve NGOs in social mobilization; and the complementary impact of social-sector activities on rural poor people's livelihoods.

Bangladesh: Scaling up microfinance projects for livelihood improvement and employment generation

Description of intervention

With a strong network of partner organizations across the country, the Palli Karma-Sahayak Foundation (PKSF) in Bangladesh has implemented three IFAD-funded projects: the Microfinance and Technical Support Project (MFTSP); the Microfinance for Marginal and Small Farmers Project (MFMSFP); and the Finance for Enterprise Development and Employment Creation (FEDEC) Project. In 2015, PKSF began implementing a fourth project – Promoting Agricultural Commercialization and Enterprises (PACE). The main objective of these projects is to increase access to finance for rural women and men. Additional value-chain components involving financial and other services for rural poor people were added to the projects later on. These efforts have led to the creation of jobs, particularly for landless households, and steady increases in annual incomes. Each project represented a scaled-up version of the previous project in which successful innovations were expanded.

MFTSP (2003-2010), the first IFAD-supported project implemented by PKSF, focused on microfinance. Targeting moderately and extremely poor people in south-west and north-east Bangladesh, the project emphasized women's empowerment (95 per cent of beneficiaries were women). With the help of 24 NGOs and microfinance institutions, the project provided microcredit in 13 districts (with 171,723 borrowers) and provided training on more sustainable and profitable income-generating activities such as poultry and livestock raising.

MFMSFP (2005-2011) covered 14 districts in north-west and north-central Bangladesh. The project aimed to improve the livelihoods of 210,000 poor marginal and small farming households by piloting seasonal microfinance lending services; prior to the project, NGO microcredit was limited to landless people. After piloting four different lending products, the most successful one – seasonal loans with lump sum repayment at the time of crop harvest – was selected for adoption by all project partner organizations with the intention of scaling up. This project also piloted a small value-chain component.

Seasonal loans

One of the greatest achievements of MFMSFP was to pilot a seasonal loan product for agriculture, which constituted over half of the total loans by project end. Before the advent of seasonal loans, microfinance credit from NGOs in Bangladesh was generally limited to the landless people, greatly limiting the scope for providing microcredit in the agricultural sector. This was a result of the difficulties farmers faced in making the traditional weekly loan repayments because of the seasonal nature of their harvests. Farmers with access to seasonal loans reported significant increases in yields of rice and wheat, with the net income from wheat 101 per cent greater than that forecast at appraisal. Following the success of this pilot, seasonal loans have been mainstreamed into the activities of PKSF and its partner organizations.

The primary aim of FEDEC (2008-2014) was to increase employment opportunities and reduce poverty by expanding existing – and establishing new – microenterprises. Building on past successes, FEDEC utilized a combination of financial and other services. The microenterprise savings and credit services programme provided 785,358 loans nationwide and led to the creation of 914,087 jobs between May 2010 and June 2012. In tandem, FEDEC piloted 42 small value-chain development sub-projects designed to improve access to markets and build the capacity of small businesses. These sub-projects focused on technical services – introducing better technologies, improving farm management practices, training workers, and providing commercial support services like vaccinations and animal health.

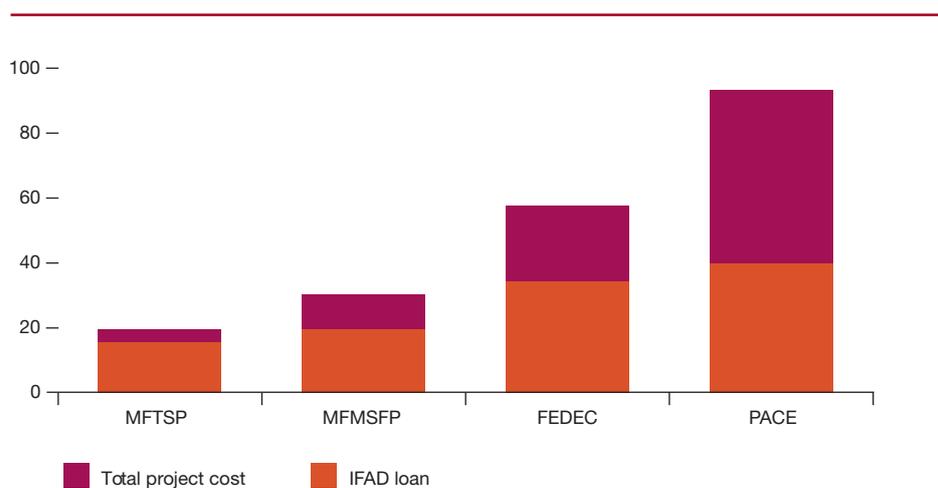
What was scaled up and how?

PACE is the fourth project to be funded by IFAD and implemented by PKSf and its network of partner organizations. Endorsed by the Government of Bangladesh in January 2012 as part of the 2012-2018 country strategic opportunities programme (COSOP), the project is being implemented over a six-year period spanning 2015-2020. It is a scale-up of the previous three projects, capturing positive experiences from FEDEC's value-chain component and further increasing their scope and coverage.

Implemented nationwide, the project combines four key elements:

- (i) Scaling up agricultural value-chain development by replicating successes in the agricultural sector in different parts of the country;
- (ii) Piloting value-chain development in non-agricultural sectors;
- (iii) Targeting stakeholders other than rural producers by developing a rural service market (particularly for vaccines) and improving policy, regulatory and physical value-chain environments; and
- (iv) Combining financial service provision with training, technical assistance, piloting new financial products and services, and demonstrating new technologies to maximize benefits for microentrepreneurs.

Project price and IFAD loan (in millions of US dollars)



PACE is driven by business opportunities rather than geographical limits: an augmented project budget and range of activities (including new loan products) allow for greater scope. The project aims to reach approximately 452,000 direct beneficiaries. In addition, indirect beneficiaries will include: those adopting technologies and management practices; employees of targeted microenterprises; and value-chain participants receiving loans from PKSF's other lending windows. About 70 per cent of microenterprise loans and 50 per cent of value-chain development activities will target women.

Major drivers of scaling up

Several drivers of scaling up make PACE a logical next step in IFAD's partnership with PKSF. **First**, FEDEC, MFMSF and MFTSP were able to demonstrate an effective development model involving the provision of both financial and non-financial services. This two-pronged approach supports rural economic development, drives the expansion of microenterprises, opens up wage-earning opportunities, encourages more sustainable and profitable technologies, and contributes to women's empowerment. For example, through its microenterprise loans, FEDEC led to the creation of 914,087 jobs over two years while launching 42 sub-projects providing technical services and training to farmers. These services included replacing pesticides with pheromone traps, offering vaccinations for livestock and introducing power looms to traditional textile businesses.

Second, PKSF's administrative capacity has played an important role in driving the scale-up of IFAD's value chain and microfinance projects in Bangladesh. For example, PKSF is in the process of consolidating its non-financial service activities and has undergone reorganization to include a non-financial services division. It has also encouraged its partner organizations to use 20 per cent of their interest surpluses from microfinance projects for non-financial development services.

Third, the interventions responded to a demand from communities. Prior to IFAD's collaboration with PKSF, small farmers could not access microfinance loans. While microfinance was already well established in Bangladesh, most microfinance institutions limited their lending to those with under 0.5 acres of land (the functionally landless). At the same time, small farmers had only limited access to agricultural credit from banks. Indeed, lack of access to financial services for the country's 6.4 million small and marginal farmers was a major development challenge at the time. An additional factor ensuring that project interventions were demand-driven was collaboration with PKSF's partner organizations, which are strongly rooted in their communities.

Fourth, all the value-chain development projects pursued by IFAD with PKSF included a strong focus on women's empowerment. For example more than 90 per cent of FEDEC loan recipients were women operating microenterprises independently or with the help of male family members. Similarly, 84 per cent of direct MFMSFP beneficiaries were women. That project's impacts on women's empowerment included increased access to land, decision-making power and control over income. As experienced in other IFAD-supported interventions, these projects' investments in women were direct investments in the communities' progress.

Lessons learned

The IFAD-PKSF partnership has provided a wealth of lessons about how to improve incomes and empower rural women and men. A key lesson was that while microenterprise loans and value chain development might not always directly benefit extremely poor people, these interventions are highly successful in stimulating economic growth in rural areas, thereby creating wage employment opportunities that they can benefit from.

Experience has shown the benefits of a participatory approach to value chain development involving all stakeholders in value chain sub-projects (including private-sector partners and beneficiaries) from the design phase onwards. Participation not only impacts commitment and ownership of the sub-projects, but ensures that the services provided actually meet beneficiaries' needs. This bottom-up participatory approach is continuing in PACE through the guidelines on value chain sub-project design and related workshops.

Given the importance of women's empowerment to IFAD's project objectives, PACE aims to further increase women's involvement by involving both husbands and wives in training sessions. This encourages the involvement of both men and women in decision-making regarding the adoption of new technologies and methodologies. The project aims to expand the range of value-chain development activities in order to open up more employment opportunities in work environments favourable to women.

Strengthening the linkages between poor rural producers and markets is an ongoing challenge. It is for this reason that IFAD recognizes the need for holistic and strategic approaches to value-chain development. Partner organizations have tested these approaches, such as by designing value-chain products targeted at specific private-sector partners (e.g. a milk processor in the case of a cattle-rearing project). There have also been attempts to use online platforms for selling produce, for example by selling prawns on *sellbazaar* and *robibazaar*, which are supported by large mobile phone providers. PACE has incorporated lessons learned from these pilots, and there are plans to use a US\$380,000 grant from the Korean Fund to establish an e-commerce platform on which microentrepreneurs can sell their goods and receive up-to-date market prices.

The policy environment is more enabling in some sectors than in others. For example, in the livestock sector, some vaccines are available in the private market while others can only be obtained from government officials. Policy frameworks and the availability of technologies (such as vaccines) need to be researched in order for a scale-up project like PACE to be successful. Taking a proactive stance, PACE aims to increase advocacy capacity within PKSF and organize stakeholder platforms that increase awareness and involvement in policy issues. This demonstrates the importance of integrated approaches that include project financing, policy engagement, knowledge sharing and innovation.

Way forward

IFAD's partnership with PKSF in these projects has demonstrated this apex organization's ability to scale up seasonal loans for agricultural activities in its portfolio of loan products. The PACE project, which is piloting non-agricultural value chain development and associated support services, is contributing to the process of scaling up. Lessons learned from the IFAD-PKSF partnership will also be incorporated into forthcoming IFAD operations such as Phase 2 of the National Agricultural Technology Programme, which will be financed jointly with the World Bank and the United States Agency for International Development (USAID).

Fast facts: Scaling up microfinance in Bangladesh

- Together with PKSF, IFAD has piloted and scaled up microfinance services in order to better serve small farmers and rural producers. Prior to this collaboration, small farmers were not covered by microfinance institutions or commercial banks. As a result, they had to resort to money lenders, who often charge extremely high interest rates. These four projects' activities evolved from microfinance for small farmers to microentrepreneur loans as beneficiaries' businesses grew and required different inputs.
- **MFTSP** (2003-2010): total cost US\$20.2 million, IFAD loan US\$16.3 million; covering 276,000 households.
- **MFMSFP** (2005-2011): total cost US\$29.7 million, IFAD loan US\$20.1 million; covering 210,000 households.
- **FEDEC** (2008-2014): total cost US\$57.8 million, IFAD loan US\$35 million; covering 117,700 households.
- **PACE** (2015-2020): total project cost US\$ 92.8 million, IFAD loan US\$40 million; covering 452,000 households.
- With each successive project, activities were expanded both horizontally and functionally. These activities are currently being implemented throughout Bangladesh and have moved from microfinance to capacity building, dissemination of new technologies and microenterprise support. Successfully piloted innovations such as seasonal loans are now a part of PKSF's regular portfolio offered to rural people throughout the country.
- The **main drivers of scaling up** were the impacts demonstrated by each project, the strong demand by beneficiaries, the space created by IFAD to pilot innovations and PKSF's leadership in mainstreaming them into its operations.
- **Important lessons** from the projects include: (i) the need for a participatory approach when designing new products to ensure that beneficiary demand is met; (ii) the increased impact of combining financial services with capacity building; (iii) the broad impact of microenterprise support on rural economic development; and (iv) the importance of an enabling policy environment for successful value chain development.

Timor-Leste Maize Storage Project (TLMSP)

Brief project description and impact

In Timor-Leste, 70 per cent of the workforce is engaged in agriculture, with the majority working on subsistence farms. Without sufficient rice or maize supplies, households commonly experience hunger for up to three months at a time. A quarter of all women and half of children are malnourished, and poverty remains endemic. Until recently, Timor-Leste relied on old rice and maize varieties, which were introduced by Indonesia more than 20 years ago. New varieties have the potential to increase production by 25 per cent for rice and to 50 per cent for maize. But significant storage losses have kept farmers from utilizing these higher-yielding varieties. In fact, it has been estimated that 30 per cent or more of maize stored in trees or farmers homes is lost to rodent and weevil damage. This not only presents a health hazard but also minimizes farmers' motivation to produce more crops.

The Timor-Leste Maize Storage Project (TLMSP), jointly funded by IFAD and the Government of Timor-Leste, addressed this challenge with a simple but effective intervention: the distribution of 200 litre storage drums that allowed farmers to safely store their excess maize (farmers purchased the drums for approximately US\$10 each). Major benefits of this safe storage method not only included greater food security and household income, but a reduction of smoke in the home, which is often used with traditional storage to control pests. In the long term, creating a maize surplus facilitated the expansion of the livestock sector and contributed to more diversified diets among poor farmers. The total project cost was US\$5.58 million, to which IFAD contributed a grant of US\$4.94 million.

TLMSP followed a phased approach that featured a systematic pathway for scaling up. The first phase targeted economically active poor households producing about 150 kg of maize per year in the rural districts of Aileu, Manufahi, Manatuto, Ainaro and Viqueque; it benefited approximately 23,000 maize-growing households. Initially expected to increase on-farm supplies of maize after harvest, the project ultimately aimed to reduce the length of the lean season.

At project completion, 23,363 poor rural maize-growing households owned 41,337 maize-storage drums which should function for at least the next 20 years with minimal maintenance (simple replacement of lost caps and perished rubber seals). These assets increase crop yields and food consumption, and – if surplus maize is sold – farm incomes. It is estimated that the drums save approximately 80 kg of maize per household. While TLMSP did not directly aim to increase agricultural productivity, by providing farmers with a tool to safely store their harvests, it enabled farmers to adopt new varieties, which increased their productivity by 40 per cent. If this practice was applied by all farmers, maize production in Timor-Leste could increase by 40 per cent or more. The currently subsidized drums are earning farmers a return of nearly 300 per cent per year. This provides sufficient room for the subsidies to be lowered.

What was scaled up and how?

TLMSP was one of the first IFAD projects designed with a scaling-up pathway in mind: providing all maize growers in Timor-Leste access to sufficient 200 litre drums. Once piloted successfully, the project enabled safe storage of about 130,000 mt of maize, with positive impacts on food security and the entire agriculture and livestock sector.

Phase I. The project's first phase was a scale-up of three other activities: (i) Care International and local NGO Drums on Farms demonstrated that the use of 200 litre airtight drums is feasible and practical for storing maize and ready for widespread adoption; (ii) the Seeds of Life (SoL) III project released improved maize varieties that increased yields by 50 per cent, creating excess maize that farmers could store; and (iii) the Rural Development Programme IV supported improved agriculture extension services to improve farmers' livelihoods. The project also supported the emerging private sector in Timor-Leste, which allowed the drums to be fabricated in the country.

Phase II. In its second phase, the project was scaled up both horizontally and functionally: it was expanded to seven new districts as well as sub-districts that were not fully covered in Phase I. The goal is to eventually provide all rural households in Timor-Leste with an opportunity to participate once grain-storage drum production reached scale (approximately 25,000 drums per year).

TLMSP II will: (i) scale up the proven maize-storage technology; (ii) involve the private sector for in-country drum fabrication; (iii) maintain the design focus on simplicity; and (iv) strengthen partnerships with complementary development initiatives such as SoL III. Continuing the first phase's focus on upland, rain-fed maize-growing areas, Phase II expanded into the storage of other staple foods. In addition, it incorporated additional tools such as maize-processing equipment and the use of surplus grain as feed for small-scale animal raising.

Phase III. Based on the performance of TLMSP II, the project is expected to be further scaled up in order to meet the nationwide demand for maize-storage drums.

TLMSP	Phase I	Phase II
Objectives	The overall goal was improved food security for maize-growing households in Timor-Leste, and the development objective was reduced losses of maize stored on-farm.	The overall goal is improved food security for Timor-Leste's rural population. The development objective was to reduce post-harvest losses of stored maize food crops. TLMSP II also provided opportunities for enterprise development through in-country drum fabrication.
Period	3 years (2012-2015)	5 years (2015-2020)
Cost and financing	US\$5.58 million, funded by the government, IFAD and beneficiaries.	US\$15 million (expected), with a proposed US\$5 million loan from IFAD.
Target area	5 districts	5 Phase I districts and 7 new districts
Components	3 components: (i) purchase and manufacture of maize-storage drums; (ii) distribution of 200 litre maize-storage drums; and (iii) project management and coordination.	4 components: (i) In-country fabrication of 200 litre maize-storage drums; (ii) distribution of 200 litre maize-storage drums; (iii) monitoring the use and impact of 200 litre maize-storage drums; and (iv) project management and coordination.

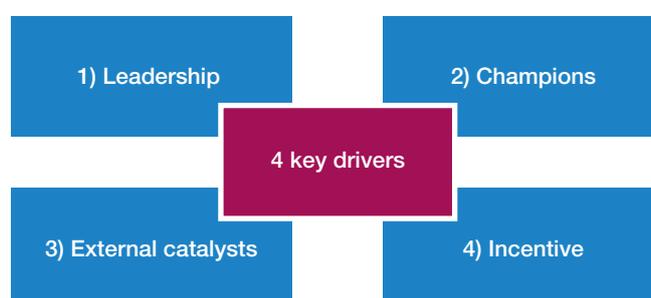
Scaling-up pathway

For Phase I, the pathway involved working through the government ministries of State Administration and Territorial Management, with coordination by the Ministry of Agriculture and Fisheries. This structure provided a basis for implementation of Phases II and III, which require significant procurement and logistics capacity. Phase II relies on the enhanced capacity of the Ministry of Agriculture and Fisheries' Finance and Procurement Divisions, and a well-established system for drum delivery through local government structures.

The other major pathway for scaling up in Phases II and III involves the private sector for in-country manufacturing of maize-storage drums and other food-storage containers. Phase I focused on developing this pathway and soliciting innovative local ideas for manufacturing a large number of storage containers.

Major drivers of scaling up

Four important drivers were identified for successfully scaling up TLMSP to the national level. By taking advantage of established spaces for participation, the project was able to overcome risks to the successful implementation of subsequent phases.



- 1) **Leadership.** The Ministry of Agriculture and Fisheries' draft National On-farm Storage Policy for Maize and Paddy (rice) specifies that, "development partners [should] cooperate in the procurement and distribution of adequate airtight containers (drums) to securely store stock of seeds and food, in combination with the provision of seed of higher-yielding varieties". In fact, the Ministry took the lead in scaling up TLMSP to the national level to support all maize-growing families in the country. As Timor-Leste increases its focus on childhood nutrition, the Ministries of Health and Education may become involved in subsequent phases. As the country's main importer of rice, the Ministry of Tourism, Commerce and Industry could also be involved. Coordination among different stakeholders could be managed through a strengthened National Food Security Unit.
- 2) **Champions.** Suco Councils and Chiefs, and Aldeia Chiefs, are recognized nationwide for assisting their constituents in addressing issues that exacerbate poverty. In addition, as a result of Phase I, private manufacturers of small grain-storage containers were prepared to champion subsequent phases.

- 3) **External catalysts.** The national objective of rural poverty reduction is a significant catalyst for project scale-up. Currently, 41 per cent of the country's population lives in poverty, and this figure is much higher in rural communities (70 per cent in 2008). The national objective of becoming staple food self-sufficient by 2020 is another major catalyst. A third major catalyst is the need to create employment for youth in rural districts. This can be achieved through more small-scale value addition of surplus maize and – in the longer term – more intensive agricultural production systems.
- 4) **Incentives.** One of the government's main incentives for a successful project is the reduction of expenditures on food imports, storage costs and the distribution of subsidized food to isolated rural communities. At the farm level, major incentives include an increased supply of staple food and increased farm incomes. The government recognizes the importance of creating jobs in rural areas since 40 per cent of the country's youth are unemployed.

In the long term, it is expected that the in-country manufacture of grain-storage containers will develop local economies and create jobs. In addition, district-level institutions such as local business associations and private-sector actors have been linked to local government in this sustainable development intervention.

Lessons learned and good practices from TLMSP I

Lessons learned from IFAD- and other donor-supported projects have important implications for Timor-Leste. TLMSP I offered a number of valuable lessons, which have contributed to evidence-based policy formulation within a comprehensive knowledge management framework.

These lessons are detailed below.

- **Partnerships.** Partnerships have been critical for successfully scaling up TLMSP. For example, collaboration with SoL III for the joint distribution of improved maize varieties and drums has been invaluable to the project's success. TLMSP II is expanding and strengthening cooperative development partnerships to ensure widespread coverage. This includes enhanced cooperation with NGOs focusing on staple foods and other development projects coordinated by the Ministry of Agriculture and Fisheries.
- **Policy environment.** The country's agriculture policy environment could be more conducive to increased maize production. Constraints include rice subsidization and large pension-based public transfers, which do not encourage farmers to increase their production of staple crops over subsistence requirements.
- **Strategic planning.** The timing of drum distribution is critical and must be synchronized with maize harvests and the availability of labour-saving devices (such as maize shellers). The risk of procurement delays needs to be factored into planning since delays can result in ill-timed distribution.
- **Expansion.** Using the drums for storing all types of food – not just maize – seems logical. There have been reported cases of households using drums to store legumes and paddy rice. In line with Timor-Leste's new Zero Hunger for Cereals Policy, these possibilities are being explored in Phase II.
- **Knowledge sharing.** TLMSP II is providing an opportunity to share knowledge with other countries in the region. Knowledge sharing is focused on simple-grain storage technologies to increase food supplies in food-deficit countries.

Lessons learned on planning for scaling up

TMLSP was one of the first IFAD-supported projects in the Asia and the Pacific region to include a specific scale-up plan. This facilitated a proactive approach to identifying the drivers, opportunities and incentives for scaling up from early on. The project benefited from its: (i) simple methodology (building on proven technologies and systems); (ii) complementarity with existing support programmes; and (iii) the experience gained in other development initiatives, such as the scaling up of the Conservation Agriculture Project funded by the Food and Agriculture Organization of the United Nations (FAO).

Phase II is based on the experiences of a strong pilot. However, its outcomes will depend on the nature of partnerships with public institutions and development partners, which can support enabling policies. The complementary food production initiatives supported by SoL III and the Rural Development Programme IV have paved the way for TLMSP to be scaled up and have established a platform on which to expand the programme nationally.

Way forward

Phase I of TLMSP was completed in December 2015, with positive impacts on the availability of staple foods. Demand for storage drums is greater than availability: the El Niño response task force has requested additional drums for storing rice. The plan aims for national scale-up and to inform policy discussions related to food storage and food security in Timor-Leste. Funds for Phase II have been allocated under the Sustainable Agriculture Productivity Improvement Project, funded by the Global Agriculture Food Security Programme. There is strong ownership of the project within the Ministry of Agriculture and Fisheries, and the project managers have demonstrated their ability to deliver planned activities and outputs.

IFAD will: (i) provide ongoing support to the drivers of scaling up – both through TLMSP and specific capacity-building exercises; (ii) provide financial and technical support for the scaling-up process; and (iii) help to maintain the momentum of Phase I among government and development partners. In addition, IFAD's engagement in policy dialogue with the government should ensure that country and sector strategies are appropriate for scaling up.

Other development partners (such as AusAID and the World Bank) have expressed interest in TLMSP and its follow-up phases. The simplicity of the design will enable the approach to be scaled up in all counties in which insects and weather cause significant post-harvest losses.

Fast facts: Scaling up food security in Timor-Leste

- TLMSP, jointly funded by the Government of Timor-Leste and IFAD, distributes 200 litre storage drums that allow farmers to safely store their excess maize. This encourages farmers to adopt higher-yielding varieties, improves nutrition and food security, and can impact the livestock sector. From the start, the project was designed with a clear scaling-up strategy in order to involve the local private sector in producing the drums.
- TLMSP Phase I (2011-2014): total project cost US\$10.3 million, IFAD grant: US\$4.9 million; covering 23,000 households.
- TLMSP Phase II: total project cost US\$15 million.
- The **main drivers of scaling up** included political leadership by the Ministry of Agriculture and Fisheries, the support of local community leaders, the project's alignment with national priorities and its complementarity with other development programmes.
- **Important lessons** from the project include: (i) the need to align the project timeline with the harvesting season; (ii) the importance of partnerships with national and international partners, which offer the potential for complementing and further scaling up activities; and (iii) the strategic advantages of planning for scale-up during the design stage.

Scaling up pro-poor leasehold forestry for poverty reduction and environmental sustainability

Brief project description and impact

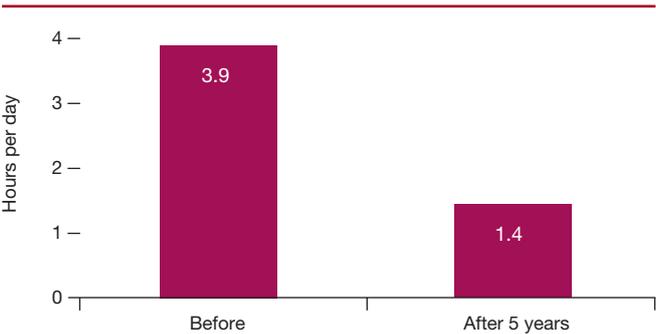
The Hills Leasehold Forests and Forage Development Project (HLFFDP) was implemented by the Government of Nepal from 1992 to 2002 with an IFAD loan of US\$12.8 million, a grant of US\$3.4 million from the Government of the Netherlands, US\$2.7 million from Nepal's government and US\$1.5 million from beneficiary farmers. The project covered 10 mid-hill districts with a goal of reducing poverty and restoring environments by offering on long-term leases small plots of degraded, public forest lands (IFAD 1989). Project participants rehabilitated the land by banning grazing, stall-feeding their livestock and cultivating fodder grasses, fruit trees and other plants. The leases provided them long-term land tenure and incentives to regenerate, protect and manage degraded forest areas while improving their livelihoods.

The Department of Forests identified suitable sites and supervised forest management while the Department of Livestock was responsible for distributing livestock, fodder, tree saplings and forage seeds. Both departments assisted in drawing up operational plans and providing training. The Nepal Agricultural Research Council focused on developing technologies for cultivating grasses, legumes and fodder trees. With three implementing agencies working at the central, district and field levels, coordination was critical. The project's success hinged on the formation of dynamic and cohesive groups to facilitate social mobilization. NGOs played a major role in social mobilization efforts.

A 2003 IFAD project evaluation mission (IFAD 2003b) and impact studies by FAO (2012) found that the project had improved the livelihoods of rural poor people – especially women – and enhanced the conditions of degraded forests.

One of the project's most significant results was the increase in available animal feed, which decreased the average time required for women to collect forest-based fodder from 3.9 hours per day to 1.4 hours (see Figure 2). This additional 2.5 hours per day gave women more time to pursue activities like literacy and vocational training, and generate income (IFAD 2014c). As a result, cash incomes among leaseholders rose by 24 per cent between 1996 and 1999; almost half of the new cash earners were women.

Figure 2
Average time taken by women to collect forest-based fodder



An increase in fodder also made it easier for household members to switch from free grazing to stall feeding. Stall feeding reduced pressure on forest lands and increased the availability of manure, which in turn helped to improve soil fertility. As a result, food production increased and leaseholders' households were more food secure. From 1996 to 1999, the average period of food security rose from 7.8 months to 8.4 months – a 16 per cent increase.

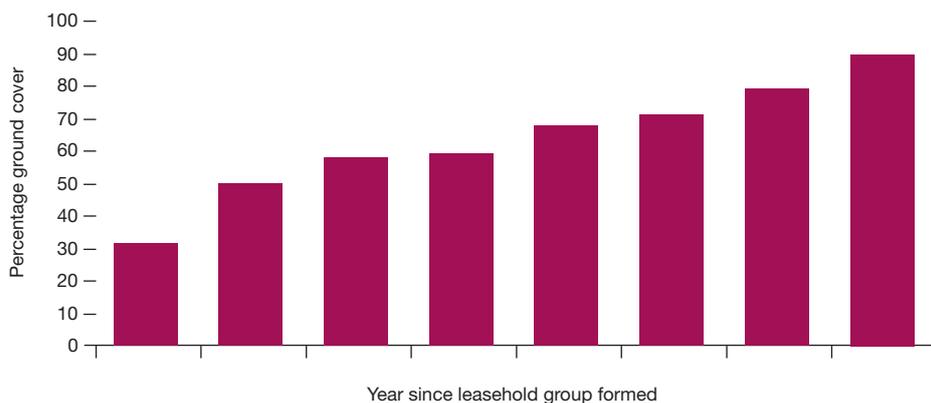
The increased availability of fodder and access to credit also enabled poor households to purchase and raise livestock. The average number of goats owned by leasehold forestry households increased from 3.9 heads to 4.4 heads over a five-year period – not taking into account goats sold in the interim. In addition, leaseholder households were encouraged to expand their livestock to include high-production animals. As a result, more livestock products are now sold and consumed in leaseholder communities, which has improved nutrition and food security, and increased incomes. Finally, by promoting the cultivation of non-timber forest products including broom grass, the project not only increased farmers' incomes, but contributed to environmental protection (see the photo below).

Most leasehold sites experienced rapid natural regeneration of herbs and grasses as well as natural trees. The average ground cover in new sites was 32 per cent, but rapidly rose to 50 per cent after one full growing season and gradually increased to nearly full coverage after seven years (see Figure 3). Biodiversity also increased: the number of plant species in two sites increased by 57 per cent and 86 per cent respectively between 1994 and 2000. In addition, some leasehold forestry groups developed fruit orchards.

Barren slopes converted into plantations for broom grass



Figure 3
Percentage of ground cover since leasehold group formed



Evaluation and impact studies showed that after five years:

- 1,729 leasehold forestry user groups were formed, comprising 11,756 households;
- Annual household incomes rose from US\$270 to US\$405 from leasehold forest sources;
- Higher incomes translated into greater food security and improved diets for children;
- The average number of goats per household increased from 3.9 to 4.4;
- The availability of animal feed and forage increased significantly;
- Women spent 2.5 fewer hours a day collecting forage and firewood;
- Women's self-esteem and confidence increased because they had more time for earning income and attending meetings, training and literacy classes;
- School attendance increased because there was less need for children to herd grazing animals; and
- Environmental degradation was reversed at most sites, with ground cover increasing from 32 per cent to 50 per cent after one growing season, and eventually reaching 100 per cent coverage.

What was scaled up and how?

Upon the project's successful completion, the government expanded group leasehold forestry in 2002 with a revised Leasehold Forest Policy. The government programme ran from 2003 to 2005, and Nepal's National Planning Commission recommended that the project be extended to 26 districts with the government's own budget.

In order to assist the government in implementing the leasehold forestry approach nationwide, IFAD designed the Leasehold Forestry and Livestock Programme (LFLP) in 2004, scaling up previous projects to cover the entire country (IFAD 2004). LFLP commenced in 2004 with a slight change in partners and modalities. Two implementing partners from the previous project – the Nepal Agricultural Research Council (NARC) and Agricultural Development Bank (ADB) – were not included. In addition, a rural finance component was included in the new project to carry forward the finance activities of the first phase; the Department of Forests led this component.

LFLP targeted 44,300 poor households, at a total cost of US\$12.77 million. Funds were provided by an IFAD loan of US\$11.71 million, a government contribution of US\$1.05 million, including duties and taxes, and a beneficiary contribution of US\$14,000. Of the 5.3 million people living in the 22 targeted districts (four districts were covered by another IFAD-funded project), 2.55 million or 48 per cent lived below the poverty line. The overall goal was to reduce poverty by allocating leasehold forestry plots to poor families, enabling them to increase their incomes from forest products and livestock.

By the end of July 2014, the project had organized 4,101 leasehold forestry user groups (114 per cent of the target), allocated 20,450 ha of leasehold forest area (66 per cent of the target) and benefited 40,638 households (92 per cent of the target) (IFAD 2015). For livestock development, 79,134 female goats were distributed to group members along with 4,142 males. Additional support included improved goat production training, breeding, vaccinations and parasite control. As a result, 86 per cent of leasehold forestry user groups reported increased goat size and 94 per cent reported sales of goats for an average of Rs 6,000 per year per household. In addition, 54 cooperatives were formed and supported to provide rural financing services to leasehold members (Adhikari et al. 2014).

Several studies have illustrated the project's remarkable outcomes, including greater household incomes and an improved natural resource base. Leasehold farmers developed their leased forest lands by planting multipurpose species and different grasses. Forage and grass production also supported goat and other livestock production.

The proportion of the poorest households (with less than three months of food security) was 41.4 per cent at baseline (Department of Forests 2006). A study conducted by FAO after five years of leasehold forest activities found that 11 per cent of leasehold member households now had sufficient food. Of the 96 "ultra-poor" households, 7 per cent were now considered "medium poor", 5 per cent "poor" and 11 per cent "rich". The findings of the FAO study have been supported by annual outcome surveys conducted in 2010 and 2012. In these surveys, the proportions of poorest households was 29 per cent in 2010 and 23 per cent in 2012 (Department of Forests 2010, 2012). In addition, 69 per cent of groups reported that degraded forests had been rehabilitated into greenery (FAO 2009). These data were supported by the finding that 57 per cent of groups perceived increased greenery coverage inside leasehold forests (Department of Forests 2012).

Biodiversity in the area increased as a result of the promotion of leasehold forestry, as was clearly illustrated by the presence of many bird species and wild animals such as leopard, jackal, and mongoose in leaseholds plots (FAO 2009).

The leasehold forestry approach has been replicated by several forestry initiatives in Nepal. For example, the Swiss Development Cooperation is now working with leasehold forestry in Dolkha and Ramechap, and has also incorporated leasehold forestry into community forestry. Similarly, a United Kingdom Department for International Development (DFID)-funded leasehold forestry programme has developed public-land forestry in line with the leasehold forestry concept. The Biodiversity Sector Programme for Siwaliks and Tarai (BISP-ST), supported by Nepal's government and the Netherlands Development Agency (SNV), has also developed models of public land leasehold forestry in eight districts within Tarai. In addition, the IFAD-supported Western Upland Poverty Alleviation Project (WUPAP) implemented by the Ministry of Cooperatives and Poverty Reduction has a leasehold forestry component.

Most importantly, the leasehold forestry approach has been replicated in community forests throughout the country in the Land Allocation to Poor Households among Community Forestry User Groups programme (IFAD 2015). Indeed, leasehold forestry has become a proven model for environmental conservation and poverty reduction through the production and sale of forest and livestock products.

Major drivers of scaling up

The major drivers of scaling up include the following:

Scoping for opportunities. An important starting point was the identification of an innovative project idea, which could generate a policy-relevant solution. Successful project design required an understanding of the existing policy framework and its limitations, and the identification of creative solutions. In this case, creative solutions came from Nepalese foresters themselves.

Commitment to change. The government's commitment and leadership played an important role in the process of scaling up the leasehold forestry pilot into a national poverty-reduction programme. Despite skepticism from the donor community and

initial caution among some officials in the Ministry of Forests, individuals within the ministry demonstrated strong commitment and perseverance. When the project was successful, support for leasehold forestry grew quickly: the government included the leasehold forestry approach in its poverty reduction strategy paper and Tenth Five Year Plan.

Institutional Innovation. Institutional innovations that contributed to the project's success and scale-up included: (i) cooperation between the Department of Forests and Department of Livestock, which helped to link forestry and livestock activities at the grassroots level; (ii) its exclusive focus on poor households, which was unique in Nepal; and (iii) women's empowerment through training of both men and women in leasehold households, and gender and development training for all government staff involved in the project.

Social mobilization. Social mobilization and microfinance support played an important role in bringing together leasehold forestry user groups to implement leasehold forestry. Savings and credit activities increased group solidarity and strengthened user groups' joint actions. NGOs also played a crucial role in social mobilization by helping to form the user groups, building their capacity and implementing microfinance activities.

Learning and Experimentation. The project promoted a culture that encouraged stakeholders to learn from mistakes, build on successes and adapt to changing situations. This resulted in: (i) a change in focus from access to credit to access to land early in implementation, leading to a change in the lead agency from Nepal's Agricultural Development Bank to the Department of Forests; and (ii) the recruitment of leasehold group promoters and capacity building of groups, cooperatives and networks, despite the fact that capacity building and networking had been underestimated in the original project design.

External Catalysts. A number of external catalysts played important role in the implementation process. An FAO technical assistance grant enabled the project to introduce innovations that would otherwise have been very difficult with a government partner. For example, the grant allowed the project to experiment with the formation of inter-groups and cooperatives, which became a major aspect of the project. Another major catalyst was communication: once the project approach was proven, there was a push to communicate the evidence to a wider audience, including government decision makers. Impact studies containing empirical data on the project's successes were prepared by FAO and circulated widely. IFAD-financed national-level workshops were organized with strong support from the government and civil society. Case studies were also prepared and presented at international conferences.

Lessons learned

A number of important lessons learned through the leasehold forestry experience are described below.

Integrating forestry with livelihood options. A major lesson was that leasehold forestry can be an effective instrument for reducing poverty and regenerating degraded forestland – especially when the users can harvest forest products for fodder, fuelwood and income generation (IFAD 2015). Increasing household incomes is a major incentive for users to engage in leasehold forestry management. Coordinated efforts are needed to develop users' forest management skills and enable them to earn additional income from their leasehold plots.

Establishing strong pro-poor institutions. Strong pro-poor institutions are essential for ensuring beneficiaries' ownership of interventions and sustaining their outcomes. Social mobilization and microfinance are fundamental conditions for mobilizing user groups. Savings and credit activities increase group solidarity and motivate for users to act together. Establishing market linkages and setting up value chains are two of the best options for maximizing benefits for leasehold forestry user groups and promoting sustainability.

Developing synergies with community forestry. Community forestry schemes in which patches of public forests are handed over to villagers have been promoted by the government and external development partners. Their focus is on regenerating forests and ensuring all villagers' equal access to fodder, fuelwood and other benefits from forests. Leasehold forestry emerged as an alternative model of forest management in which the focus is on the most marginalized people. For many years, these two systems were seen as competing approaches to community forest management. However, recognizing the importance of addressing the needs of marginalized groups, community forestry schemes have begun introducing leasehold forestry.

Infrastructure and market support. Increasing household incomes is a major incentive for sustaining grassroots interest in leasehold forestry management. Therefore, income-generating activities such as those included in the livelihood improvement plan should be an integral part of any effective leasehold forestry programme. Support should also be provided for developing irrigation and markets, which are necessary for increasing production and productivity of high-value crops such as vegetables and spices.

Way forward

The current policy environment in Nepal is conducive to community-based and pro-poor forestry. A recently formulated long-term Agriculture Development Strategy will guide the sector for the next 20 years. The forestry sub-component of this strategy strongly recommends a competitive and agriculture-friendly forest policy, and stresses the integrated expansion of the leasehold forestry concept into government-managed forests, community forests, watersheds and protected forests.

In order to ensure the sustainability of the leasehold forestry user groups and the project's impacts, and ensure scale up, these groups will need greater support in the future. This should include the development of linkages with large private-sector manufacturers, processors and traders so that the groups can become sustainable small and medium-sized enterprises (IFAD 2015). The next generation of leasehold forestry user groups will also need support to develop capacity for identifying new livelihood opportunities based on local markets. The weakest groups will need support for social mobilization, microfinance and developing capacity for planning and implementing forest-based income and livelihood improvement activities.

Fast facts: Scaling up pro-poor leasehold forestry for poverty reduction and environmental sustainability in Nepal

- The leasehold forestry programme successfully demonstrated that leasehold forestry can be an effective instrument for regenerating degraded forests and reducing poverty. It showed that increased household income is the main incentive for forest user groups to engage in leasehold forestry management.
- Building on the success of the project and adopting its approach, different scale-up initiatives have been initiated – including a follow-up project from IFAD and new projects supported by DFID and SNV.
- HLFDP: IFAD loan US\$12.8 million, Government of the Netherlands grant US\$3.4 million, Government of Nepal US\$2.7 million, beneficiaries US\$1.5 million, total: US\$20.4 million; covering 11,756 households; cost per beneficiary household US\$1,735.
- LFLP: IFAD loan US\$11.71 million, Government of Nepal US\$1.05 million, beneficiaries US\$14,000, total US\$12.77 million; covering 38,436 households; cost per beneficiary household US\$332.
- In the follow-up project, the cost per beneficiary household (US\$332) was significantly lower than the initial project (US\$1,735).
- The **main drivers** of scaling up were: (i) government officials' leadership and commitment to implement an innovative project idea; (ii) institutional innovations, which promoted cooperation between the Departments of Forestry and Livestock; (iii) NGOs' social mobilization and microfinance activities; (iv) the promotion of a culture of learning by all stakeholders; and (v) external catalysts including a grant to support social mobilization and capacity building.
- **Important lessons** from the project included the realization that leasehold forestry is not only effective for regenerating degraded forests, but also for improving livelihoods and reducing poverty. Other lessons were learned about the importance of: (i) social mobilization and pro-poor institutions like leasehold forestry user groups; (ii) cooperation between community forestry and leasehold forestry programmes; and (iii) irrigation and markets for the production of high-value crops like vegetables and spices.

China: West Guangxi and Gansu Poverty Reduction Projects

Brief project description and impact

This case study documents the scaling-up experience of two IFAD-supported poverty reduction projects in China (Kohl 2013): the Western Guangxi Poverty Alleviation Project (WGPAP), implemented from 2002 to 2008 in Guangxi Province; and the Southern Gansu Poverty Reduction Project (SGPRP), implemented in Gansu Province from 2006 to 2012. Both provinces had much in common, including: difficult agricultural conditions as a result of geology (in Guangxi) and climate (in Gansu); limited irrigation potential; extreme poverty; the feminization of agriculture resulting from the out-migration of men; and large ethnic minority populations.

WGPAP was implemented in ten counties – four in the south and six in the north. The total project cost was US\$106.3 million, financed with an IFAD loan of US\$30.4 million, government cofinancing of US\$53 million, a contribution WFP of US\$11.2 million and US\$11.7 million from beneficiaries (IFAD 2010b). The project increased agricultural productivity and incomes by introducing farmers to new crop and livestock varieties, and providing training in their use through farmer demonstration projects and farmer field schools.

Health workers were trained to provide improved services through a preventative approach to maternal and child health, and literacy training was provided for illiterate farmers. These efforts were complemented by infrastructure investments in irrigation, roads, schools and health facilities, and strengthened crop and livestock extension services. Finally, WGPAP contained a significant microfinance component, which provided concessional, gender-sensitive loans to farmers for income-generating activities such as livestock and tree crops. These activities required no collateral or external guarantees, and were available to individual farmers.

The total project cost of SGPRP was US\$80.6 million, including an IFAD loan of US\$29.3 million and government contribution of US\$31.8 million. WFP provided US\$4.8 million in food assistance and beneficiaries contributed US\$14.7 million (IFAD 2014d). The project was implemented in ten counties, with 90 per cent of participants categorized as very poor and women constituting the majority of beneficiaries. It focused on enhancing rural productivity and creating a more equitable society. The project: introduced participatory and gender-sensitive village development plans; improved extension services, upgraded social-service facilities and promoted better land use through reforestation. Activities included: the establishment of village implementation groups; investments in rural infrastructure; the provision of financial services such as microfinance credit; health and education infrastructure and services; the introduction of new crop and grazing techniques, plant and animal varieties; non-agricultural activities to generate incomes; and literacy training for women farmers. The project also provided concessional, gender-sensitive loans to farmers for income-generating activities such as investments in livestock and tree crops. Like in WGPAP, loans provided through SGPRP required no collateral or external guarantees.

What was scaled up and how?

Several innovative technologies and activities were successfully piloted and scaled up in these two projects. They included: (i) the case of the black dolphin guinea pig in WGPAP; and (ii) the use of plastic membranes, a new agricultural technology to improve soil moisture and raise temperatures, in SGPRP.

WGPAP increased agricultural productivity and incomes by: introducing farmers to new crop varieties and livestock breeds; and training farmers through demonstration projects and farmer field schools. Other components of the project included infrastructure development (irrigation, roads, schools), strengthening crop and livestock extension services, and microfinance. The black dolphin guinea pig was introduced by the project as part of a new livestock improvement programme. This community-led scale-up of a new livestock innovation was based on the success of one innovative farmer, which led to this technology's adoption by many other farmers and eventually the establishment of a BDGP Farmers' Professional Association. Legally considered a cooperative, the association's 311 members are spread over several counties in Western Guangxi, raising a total of 11,000 guinea pigs.

Black dolphin guinea pig. Black dolphin guinea pig meat is a delicacy in south-eastern China and fetches Y30-40/kg (about US\$5-US\$6.5/kg) in upscale urban markets like Nanning. While production has historically been small-scale and scattered, it can supplement the incomes women farmers earn by growing staple crops. Farmers can easily adopt guinea pig feeding and sanitation practices, and this activity requires relatively small capital and labour inputs.

In order to introduce this income-generating activity, the Women's Federation of Tien Dian County organized an exchange visit by a group of women farmers to another county. Following the exchange visit, a woman farmer, Mrs Zhao, bought 50 breeding pairs of guinea pigs in late 2004 using Y2,500 (US\$410) from her savings and a microfinance loan of Y5,000 (US\$820) from WGPAP through the Women's Federation. With technical assistance and other support from county animal husbandry experts, she developed her own market by approaching restaurants and hotels that served guinea pig meat. She then expanded her operations using her earnings and additional financing. Her success story spread to nearby counties, facilitated by media coverage of the project. Her relatives, friends and neighbours also shared her story.



Black dolphin guinea pig and baby in cage in West Guangxi



Poster showing the many different dishes that can be made with guinea pig



Mrs Zhao, former migrant worker and lead entrepreneur in guinea pig raising in West Guangxi.



Wire guinea pig cages, which replaced brick cages since they are more sanitary and easier to clean.

Learning from her experience, many other women farmers began raising black dolphin guinea pigs with loans from the project. This rapid expansion led to the establishment of a Black Dolphin Guinea Pig Farmer's Professional Association in May 2013; most members of the association are women. Mrs Zhao, now the head of the cooperative, provides leadership and training to farmers, and helps to connect them with markets.

As part of SGPRP-supported activities, new crop production techniques such as the use of plastic membranes were introduced to raise wheat and maize farmers' productivity.

Plastic membranes. Plastic membranes improve crop yields by increasing soil temperature and moisture retention. This is particularly important in Gansu Province, which has an arid climate, cold winters and a lack of irrigation potential. Although plastic membranes were introduced in Gansu as early as the 1990s, the better-quality membranes were introduced in 2007. Another innovation was double-ditch technology, in which the seeds or seedlings are planted in ditches on both edges of the membrane in order to retain moisture in the ditches. These two innovations led to a significant increase in soil temperature and moisture retention (see the photos below).

The Gansu provincial government selected Guang Ho, one of the counties in which SGPRP was implemented, to demonstrate the new membranes and double-ditch technology. In the pilot, the new membranes were introduced to one village in each township, covering a total of 1,000 mu (66.67 hectares). The demonstration villages were selected so that farmers in neighbouring villages would be able to observe the results. Provincial funds were used to subsidize the costs of membranes at the demonstration sites.

Significant increases in wheat yields were recorded in the demonstration plots, resulting in substantial income gains for farmers. An investment of Y80 (US\$12.17 in June 2016 exchange rate) per mu (0.067 ha) for the membranes led to increased earnings of up to Y600 per mu (US\$1,368.75 per ha). The plastic membranes also extended the growing season for maize. These positive results led to rapid adoption of the new technology by farmers. In Guanghe county, the number of farmers using plastic membranes increased from 750 in 2006 to 37,800 in 2013. In addition, the use of membranes spread to farmers in non-project villages and townships throughout Gansu Province. The provincial Department of Agriculture officially recognized the technology and supported its scale-up; according to official estimates, roughly 370,000 farmer households used them in 2012.



Women farmers in traditional dress observing membrane-covered fields



Terraced slopes covered with plastic membranes

The rapid spread of plastic membranes in Gansu Province was accompanied by another scale-up along the maize-livestock value chain. Since maize is used as animal fodder, increased yields of maize as a result of the use of plastic membranes led to a substantial increase in livestock production. The introduction of a new, more productive breed of sheep and the expansion of cooperatives also contributed to the rapid growth of livestock raising.

Major drivers of scaling up

Three drivers played an important role in scaling up in Guangxi: innovative ideas, leadership and incentives. WGPAP introduced a number of innovative ideas that had strong potential for scale-up. Provincial project management units within the Department of Agriculture provided strong leadership, with a committed team of directors, knowledge-management specialists and other staff. The project's long-term vision included incentives for scaling up such as official recognition of best practices and proven innovations, provincial co-funding and technical assistance for scaling up.

In the case of guinea pig raising, the idea was well matched with the needs and constraints of poor small-scale farmers. It: (i) required basic technical skills that could be learned in a couple of days; (ii) required little initial capital; (iii) involved simple care and feeding requirements; and (iv) revolved around an animal that grows rapidly, which helped farmers to recover their initial investments. The pioneer farmer provided strong leadership and had the vision to expand the business as a viable enterprise.

These same drivers – ideas, leadership and incentives – were important for scaling up the plastic membrane technology in Gansu. The project provided an institutional framework for introducing innovations such as plastic membrane and biogas units to farmers, and the funding and technical assistance provided by government agencies facilitated piloting these innovations. The leadership and vision of county and provincial officials also provided a major impetus since they officially recognized plastic membranes and biogas as viable technologies, and facilitated the provision of technical assistance and subsidies for materials. In addition, these officials provided incentives for scaling up, including provincial recognition of innovative technology, provincial co-funding and technical assistance.

Lessons learned

The case of black dolphin guinea pig raising offers several important lessons. The first is that innovative ideas for income generation should be chosen in line with the needs and constraints of farmers. As demonstrated in this case, considering small farmers' needs ensures that innovation is scalable. The second lesson relates to the linkages between the farmer entrepreneurs, cooperatives and markets. When the local authorities provide an enabling environment including financing, innovations and technical assistance, successful innovations can be identified as they emerge and are supported with additional financing, publicity and technical assistance. The third lesson is that without leadership, vision, incentives and fiscal and institutional support, innovations' full potential for scaling up may not be realized.

The **plastic membrane** case study also highlights the importance of selecting innovations based on farmers' needs and the agro-ecological constraints they face. Needs assessments should be undertaken through participatory rural appraisals. The importance of assessing farmers' needs has been recognized by the Gansu Department of Agriculture, which has committed funds to train staff in farmer assessment.

Another lesson is that the convergence of bottom-up and top-down governance can be a very effective mechanism for scaling up. Farmers' needs were assessed using participatory demand analysis whereas the Department of Agriculture introduced new technologies by adopting a top-down approach – using technical staff and model farmers for demonstration projects. When the farmers found technology to be viable, it quickly spread to other farmers. Once the Department of Agriculture recognized the membranes as a successful technology, it was expanded to non-project areas by mobilizing this department's knowledge management system, financial support and exchange visits.

The case of plastic membranes not only demonstrated the potential for scaling up horizontally to farmers in non-project areas, but also along the value chain, opening up possibilities for synergies with other innovations. Innovations related to plastic membranes, little-tailed sheep, biogas units, women's literacy training and support for cooperatives created synergies that led to greater impact.

A recent study (Raswant 2014) indicated that the reliance on mainstream government institutions may limit flexibility for scaling up in China. However, in value chains where "dragonhead" companies establish relationships with farmer communities, there may be more scope for broadening the range of interaction and enabling scale-up.

Way forward

The success of scaling up IFAD-supported innovations in China has largely been a result of the favourable policy and institutional environment. China's government has supported scaling up through a number of activities, including: exchange visits among farmers and rural entrepreneurs; technical assistance and microfinance loans for rural entrepreneurs (through IFAD loans); identifying successful innovations and providing financial support and incentives; and promoting the establishment of cooperatives and enterprises. The government has also actively supported knowledge management and dissemination, and policy dialogue through knowledge workshops to disseminate best practices and media events to brief senior party and government officials.

These IFAD-supported investment projects have utilized a participatory design process, which led to the selection of activities that met farmers' needs and were compatible with prevailing agro-ecological conditions. Participatory design was a major

contributor to these activities' success and scale-up. The projects were implemented through provincial departments and county bureaux, which promoted ownership, encouraged hands-on learning and enhanced capacity for scale-up. These practices greatly increased the projects' sustainability beyond project completion and scale-up.

Despite the initial successes of scaling up in China and the favourable institutional environment, the approach to scaling up was not thoroughly consistent. Main constraints to scaling up included: (i) inadequate incentives and limited capacity of implementing partners; (ii) absence of national-level technical partners that could incorporate good practices into their programmes; and (iii) small farmers' lack of access to microfinance for investing in innovation, owing to lack of incentives for financial institutions to support them (Raswant 2014).

Thus far, the main approach in China has been to scale up successful innovations through the growth of companies or enterprises led by a sole entrepreneur. However, as illustrated by the black dolphin guinea pig experience, scaling up is also happening among farmer cooperatives. Experience shows that expansion through companies is better suited to rapid growth whereas the cooperative model is better for scaling up innovations among a larger number of farmers. Raswant (2014) demonstrated that support to cooperatives in management, marketing and business skills is inadequate.

Access to microfinance loans in IFAD-supported projects has enabled farmers to engage in income-generating activities and establish small enterprises. However, when these projects are completed, farmers' access to small loans may be constrained since they may not be able to acquire loans from other sources. This may adversely affect the ability of poor farmers to scale up successful initiatives.

Likewise, access to technical assistance in crop and livestock production, and other income-generating activities is critical for enabling small farmers to scale up innovations. Lack of technical capacity at the provincial and county levels – and the absence of external support – is a significant constraint (Raswant 2014). Therefore, building capacity for providing farmers with technical assistance and cooperative management skills is essential for sustainability.

Fast facts: West Guangxi and Gansu poverty reduction projects, China

- These two projects demonstrated success in increasing and diversifying the incomes of rural poor people by introducing new crop varieties and livestock breeds, investing in agricultural and social infrastructure, and providing microfinance and technical support for income-generating activities.
- Building on the success of these projects, farmers have scaled up successful technologies within their provinces.
- WGPAP: IFAD loan US\$30.4 million, Government US\$53 million, WFP US\$11.2 million, beneficiaries US\$11.7 million, total US\$106.3 million.
- SGPRP: IFAD loan US\$29.3 million, Government US\$31.8 million, WFP US\$4.8 million, beneficiaries US\$14.7 million, total US\$80.6 million.
- The **main drivers** of scaling up were the commitment and leadership of government officials, the introduction of innovative ideas and technologies, and alignment of farmers' needs and innovative technology solutions.
- **Important lessons** from the projects included: the need to choose innovative ideas in line with the needs and constraints of small farmers; the importance of converging bottom-up and top-down governance for effective scaling up; and the crucial role of knowledge management and financial incentives.

Moving up innovations to scale: Targeting and reaching the poorest through the Poverty Alleviation Fund (PAF) in IFAD-supported development interventions in the Philippines

Brief project description and impact

The IFAD-supported Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP), implemented by the Department of Agrarian Reform in the Caraga and Northern Mindanao Regions of the Philippines, aimed to alleviate poverty among indigenous peoples, fishers and upland dwellers, especially rural women. The project: (i) strengthened community institutions to make them self-reliant and capable of undertaking their own development activities; (ii) promoted environmental conservation and strengthened the natural resource base; (iii) improved village infrastructure; (iv) facilitated indigenous peoples' representation in local councils and the provision of titles for ancestral lands; and (v) enhanced the responsiveness of local government units and other partners to the diverse needs of community institutions. Of the 47,131 people directly benefiting from the project, more than 50 per cent were women.

An innovation piloted through NMCIREMP, the Poverty Alleviation Fund (PAF), increased poor people's access to government services and improved their self-esteem and social capital while steering them away from a mentality of dependency. PAF outcomes included the following:

- A total of 18,587 poor households were organized into 841 self-help groups – these households would not have otherwise qualified for government assistance.
- PAF directly benefited 17,032 poor self-help group-member households, including 92 per cent of all self-help group members and 30 per cent of the 58,000 households reached by NMCIREMP.
- The income of poor households increased: rapid assessments conducted from 2004 to 2009 showed that the average additional income of households as a result of PAF was PHP 266 (US\$5.71 at June 2016 exchange rate) in 2004, PHP 1,204 (US\$25.85) in 2006 and PHP 1,651 (US\$35.46) in 2009.

Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP)

Objectives	Reduce the vulnerability of the targeted households (indigenous peoples, coastal and lake fishers, agrarian reform beneficiaries and upland farmers) in the project area and enhance food security.
Period	2003-2009 (six years)
Cost and financing	US\$21.6 million: IFAD loan of US\$14.8 million (68.5 per cent), Government 15.4 per cent, local government units 10.3 per cent and beneficiaries 5.8 per cent.
Target area	230 <i>barangays</i> (villages) located in 44 municipalities in six provinces in northern and north-eastern Mindanao, Philippines
Components	(i) community institutions and participatory development; (ii) community investments; (iii) natural resource management; (iv) support services and education; (v) support for indigenous peoples; and (vi) project management.

What was scaled up and how?

PAF was pioneered as a starter fund to support the self-help initiatives of poor rural households, especially women, to augment household incomes. Its aim was to provide people with a path out of poverty through small grants of PHP 2,000 per household. These grants were channelled through self-help groups composed of about 20 rural households within the same geographic area.

Most PAF beneficiaries were poor and located in remote rural areas. Households were selected based on a comprehensive survey in collaboration with community informants; beneficiaries included indigenous peoples in 17 ancestral domains. All indigenous peoples in ancestral domains were considered eligible for PAF since they had been marginalized and had limited access to development assistance. Instead of forming self-help groups, however, indigenous peoples were organized into traditional groupings, or *gaup*, according to tribe. Each *gaup* comprised between 10 and 30 households.

The self-help groups formulated livelihood proposals with the assistance of community-based institutions, NGOs and local government units. The proposals followed a simple format and focused on crop and vegetable production, livestock, trading and sales. A municipal multi-stakeholder committee reviewed and approved PAF proposals.

The multi-stakeholder committee and municipal project office ensured that the proposals were implemented as proposed and that the funds were appropriately utilized. Technical support was extended to self-help groups as needed. In each *barangay*, self-help groups were linked to registered community institutions that helped to manage the funds. Repayments were used to assist other poor households – especially those that missed out in the first round of self-help group establishment.

The PAF approach is being scaled up through: (i) PAF II; (ii) a livelihood assistance fund in the Second Cordillera Agricultural and Resource Management Project (CHARMP2); and (iii) the Convergence on Value-Chain Enhancement for Rural Growth and Empowerment (CONVERGE) project. In addition, the World Bank is developing the next stage of Department of Agrarian Reform's agrarian reform community (ARC) CONVERGE project, which will build on IFAD's work in CONVERGE.

Voices of women in PAF-supported self-help groups

Department of Agrarian Reform/IFAD. 2011. Women: Partners in Weaving Fabrics of Development.

"I have always dreamed of owning the pigs I raised, because all my life I have raised pigs owned by others, but never mine. Do not take away my dream – I have always wanted to raise my own pigs, which PAF has supported. From pigs, I now have chickens and goats, and am able to help provide more for my family."

"We started with PHP 40,000 at PHP 2,000 per household and we were 20 in all. Now we have 17 hectares on lease to our group for 12 years, planted with coconut-bearing trees. We harvest quarterly and have bought our own 3 hectares planted with young falcatta trees. We planted corn and sweet potato in between rows of these trees and now our incomes are secured and stable."

From PAF	To PAF2
From PAF	To PAF2
Hog fattening	Hog raising, fresh meat trading, meat processing (<i>tocino</i> , ham, <i>longaniza</i>), barbecue, <i>lechon</i> , selling piglets
Cassava production	Cassava chips, cassava crackers
Abaca production	Abaca weaving, handicraft
Banana production	Banana chips
Candle making	Scented candle, floorwax making
Sari-sari (variety) store	Food catering, selling motor parts, motor servicing, lending

Scaling up PAF into PAF2

Building on the success of PAF, NMCIREMP later introduced PAF2, which aimed to increase the entrepreneurial capacities of community institutions. The 44 approved proposals benefited 6,261 households (members of both self-help groups and community institutions). These activities were implemented during the last two years of the project.

From PAF to LAF under CHARMP2

CHARMP2 adopted the PAF approach and provided funds to jumpstart beneficiaries' economic activities. Learning from the NMCIREMP experience, CHARMP2 improved the PAF concept, establishing the Livelihood Assistance Fund (LAF). This fund – part of the Agribusiness, Agriculture and Income-Generating Activities component of CHARMP2 – aimed to finance livelihood sub-projects in the project area. Designed to improve beneficiary groups' access to formal credit, LAF supports the development of priority value chains and provides capital for groups to engage in production, marketing, and other income-generating activities. The livelihood activities were identified through a participatory planning process in the project sites.

Similar to NMCIREMP's PAF, LAF focuses on impoverished groups, which are identified by community mobilizers. Productive poor households are organized into livelihood interest groups and the poorest households are given priority for LAF assistance. Proposals are solicited based on *barangays'* participatory project investment plans and funds are administered by community financing institutions, which oversee livelihood interest groups. Learning from the NMCIREMP experience, CHARMP2 added an enterprise development plan in each *barangay* or municipality. Livelihood interest group projects are then linked to *barangay* or municipal enterprises to form value chains. As livelihood interest groups develop their livelihood projects into business enterprises, group members receive training in business skills.

Targeting in CONVERGE

The upcoming CONVERGE project implemented by the Department of Agrarian Reform is also drawing on lessons from NMCIREMP's implementation of PAF2. For CONVERGE, thorough commodity production and marketing analyses have been conducted and feasibility studies prepared. CONVERGE aims to reduce rural poverty through participatory value chain development, with the aim of improving household-based farm enterprises' profitability. Its targeting approach is focused on agrarian reform community clusters with significant poverty and high potential for agricultural and agribusiness development; access to markets; cluster development plans; agrarian reform beneficiaries' commitment; and available support services.

Major drivers of scaling up

The successful scale-up of PAF to reach the poorest households was driven by a number of factors including political incentives and local champions. The fact that PAF achieved results supporting national development priorities provided political incentives for scaling up. The Government of the Philippines is committed to the Millennium Development Goals – especially the goal of reducing poverty. The Philippine Development Plan aimed to decrease poverty incidence to 20 per cent by 2016. This target encouraged all government agencies to identify and adopt approaches for reaching the poorest people.

Champions for scaling up included the Department of Agrarian Reform, the national implementing agency, which showed keen interest in the PAF approach. This institution modified PAF to establish LAF and provide value-chain support through the new CONVERGE project. In addition, the Department of Agrarian Reform and other government agencies are exploring the possibility of further modifying PAF to a matching grants system.

Finally, local institutions were an important driver for scaling up – especially those providing services to farmers, fishers, indigenous peoples, microentrepreneurs and women. With a mandate to assist poor people through their development programmes, local government units have the authority, power and resources to provide basic services. Through these services they are critical for reaching poor people, managing local development projects and providing resources. NGOs have expertise in social mobilization and provide support to local government units in poverty mapping and in organizing poor people into self-help groups and livelihood interest groups. Finally, as they seek to expand their membership, community-based institutions can support informal groups like self-help groups.

Lessons learned and good practices

The implementation and scaling up of PAF offer a number of lessons learned. The first lesson is about localizing processes: for example, self-help groups should be allowed to prepare proposals in their local dialect. Though this requires more resources for operation and monitoring, it ensures that the poorest people benefit. In addition, involving a variety of stakeholders in the process ensured that PAF funds were used for self-help group members' livelihood development.

Second, linking self-help groups with community institutions allowed the self-help groups to gain the legal recognition required to access public funds. The revolving fund scheme used by communities for the financial management of PAF projects eventually became a simplified microfinancing tool for reaching the poorest people in each community.

The third lesson relates to timing and planning, which needs to be aligned with production cycles. Proper timing of funding is especially important for agriculture-based livelihood projects; there is a need to shorten the procedures related to the release of funds.

Finally, in order to scale up livelihood activities into enterprises within project time frames, they need to be properly phased to provide enough time for enterprises to grow and become sustainable. This project saw some livelihood activities become microenterprises, but there was too little time to support their maturity.

Way forward

Despite economic growth, there remains a need to expand productive capacity and empower rural women and men. PAF and other innovations piloted through IFAD-supported projects have tested innovative approaches that can be scaled up nationwide.

Over the past five years, IFAD has worked with the Philippines' government, partner institutions and other stakeholders to establish a systematic approach to scaling up agricultural and rural development initiatives. This includes: (i) a pilot phase consisting of stocktaking, learning and partnership building; and (ii) a mainstreaming exercise to internalize the scaling-up mindset. Detailed case studies on innovations such as PAF, the farmer-irrigator-organizer approach and the school on air have been published in the book *Moving Up Innovations to Scale: Lessons from IFAD-Supported Development Interventions in the Philippines* (IFAD 2014f).

Many innovations have already gone beyond their pilot phase. The challenges ahead are to: define new objectives; establish pathways for taking innovations to scale (through replication and adaptation); and identify entry points for support from IFAD and other partners (through investments, partnerships and evidenced-based policy dialogue). In this project, communities themselves were powerful drivers of scaling up, provided there was a shared vision, the right incentives and resources for capacity development. South-South and triangular cooperation are powerful tools to facilitate learning and partnerships for scaling up.

Fast facts: Scaling up access to services in the Philippines

- Through the Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP), IFAD piloted the **Poverty Alleviation Fund (PAF)**, which aimed to increase poor people's access to government services and improve their self-esteem and social capital while discouraging a mentality of dependency.
- The PAF approach is being **scaled up** in: (i) PAF II; (ii) a livelihood-assistance fund under CHARMP2; and (iii) the project strategy of CONVERGE. The World Bank is developing the next stage of the Department of Agrarian Reform's ARC CONVERGE, which will build on IFAD's work in CONVERGE.
- The **main drivers of scaling up** were the project's strong alignment with national priorities, implementation by a national authority, which facilitated the scaling up into other programmes, and a participatory approach that ensured the support of all stakeholders.
- **Important lessons** from the project highlighted the need: (i) to consider capacities at each level and enable all stakeholders to participate (for example, accepting inputs in local dialects); (ii) for multi-stakeholder approaches to enhance transparency and maximize resources; and (iii) to carefully plan project timelines, especially if projects aim to improve agriculture-based livelihoods.

Conclusions and way forward

These case studies clearly demonstrate successful examples of scaling up in Asia and the Pacific region despite the fact that IFAD did not have an organization-wide strategic approach to scaling up when the investment projects were designed. The only project that included a specific plan for scaling up was the Timor-Leste Maize Storage Project.

The main conclusions and lessons from these six case studies can be summarized as follows:

- All six projects involved scaling up horizontally. In some cases, successful geographic expansion was closely associated with policy changes that enabled vertical scaling up. For example, in the case of the Nepal Leasehold Forestry Project, based on the successful implementation of the first phase of the project, the government revised the country's Leasehold Forest Policy. The Bangladesh case study is an example of functional scaling up in which IFAD collaborated with the microcredit organization PKSF to mainstream seasonal loans for agricultural smallholders into its loan portfolio. The PACE project is piloting non-agricultural value-chain development and related support services, with further scaling up expected.
- In all case studies, the key drivers involved the government and IFAD jointly promoting the process of scaling up. Government ownership and commitment – especially the support of key government ministries – played a crucial role in successful scale-up. In the Philippines, local institutions were critical for targeting poor people, managing development projects implemented in their localities and providing resources. In India, a highly positive impact assessment by IFAD's Independent Office of Evaluation (IOE) gave credibility to the project's success along with various project supervision reports. This helped to convince the government to support scaling up in a wider area using public resources. In all cases, dialogue between IFAD and governments, and a relationship of trust between the two partners, were crucial. These partnerships highlighted the importance of M&E and knowledge management.
- The case studies also illustrate a number of important lessons for the successful implementation of development projects – and their scaling up for greater impact. One crucial lesson is the need to involve grassroots institutions and NGOs in promoting social empowerment – particularly that of women – to ensure sustainability. Another important lesson is to encourage community ownership of projects in order to ensure that the assets created are maintained. All case studies demonstrated the importance of political commitment to create a conducive policy environment and a favourable fiscal space for scaling up. Capacity building of government institutions, especially in technical areas, was highlighted by several case studies. The need to expand access to microcredit is also a critical factor for promoting wider adoption of new technologies.

In order to move forward in scaling up, IFAD needs to pay attention to the following:

Country Strategic Opportunities Programmes (COSOPs)

COSOPs are an important instrument to articulate approaches to scaling up. Therefore, they need to identify pathways for scaling up IFAD's interventions in the country and links among innovation, learning and scaling up. Most COSOPs clearly highlight innovation but do not emphasize scaling up. Historically, scaling up is seen as handing off an innovation to another partner or the government, and is not linked to knowledge management. However, the new generation of results-based (RB)-COSOPs has a greater focus on the scaling-up agenda.

Particularly in middle-income countries, which often manage their own large rural development projects, it is increasingly understood that IFAD's added value does not lie in financing but in piloting innovative approaches, which can be scaled up through national programmes. For example, China's COSOP clearly refers to innovations and scaling up in one of its three strategic objectives. In order to make COSOPs a useful instrument for scaling up, they should include a clear pathway for scaling; the COSOP guidelines should be strengthened accordingly. IFAD's new Operational Framework suggests some basic steps for developing COSOPs that facilitate scaling up:

1. Determine a vision of scale and how scaling up is likely to happen.
2. Outline a scaling-up strategy, including the sequence of steps (pathways) to be taken, integrating projects, policy engagement, partnership building and knowledge to ensure that interventions have the largest possible impact on rural poverty.
3. Develop a scaling-up process management plan, including knowledge management, monitoring and risk management.

Annual reviews and comprehensive mid-term reviews offer opportunities to evaluate previously identified scaling-up pathways, drivers and spaces.

Monitoring and Evaluation (M&E)

Various IOE evaluations have highlighted the weaknesses of project M&E systems at the project, sector and country level. Systemic issues are often related to ownership, incentives, harmonization and capacity. Since scaling up usually requires a longer time frame than the project lifetime, IFAD should move away from project monitoring to monitoring entire country programmes and align its M&E system with government monitoring systems.

Policy engagement

Policy engagement plays an important role in IFAD's scaling-up agenda for two reasons. First, a conducive policy, regulatory and legal environment allows the replication and scale-up of successful interventions. Second, changes in national policies, regulations and laws are a critical means for reducing rural poverty. Recognizing the importance of policy engagement for greatest impact, IFAD has prepared policy papers in several thematic areas to guide country programmes and IFAD-funded projects. In addition, an increasing number of COSOPs include an ambitious policy agenda. IOE evaluations show that country-level policy analysis and dialogue has been weak – partly due to country programmes' narrow focus on projects and partly because country teams lack the resources and capacity to pursue policy issues.

IFAD's approach to policy engagement in Asia and the Pacific region is increasingly broad, focusing on: promoting the adoption of successful models by governments; providing policy analysis to support national and regional partners through country and regional grants; and strengthening government capacity to formulate national policies and programmes for smallholder agriculture and rural development.

Recently, efforts have been made to strengthen evidence-based policy dialogue through loans and grants. Examples include: (i) the policy work included in the Bangladesh PACE project; and (ii) the establishment of a policy dialogue platform for irrigated agriculture through the Indonesia Integrated and Participatory Development and Management of Irrigation Project (approved by IFAD's Executive Board in 2015).

Knowledge management

IFAD's Knowledge Management Strategy (2007) and Knowledge Management Framework (2013) recognize that innovation, learning and scaling up together form one of IFAD's six principles of engagement. Knowledge management is central to this agenda – and is increasingly reflected in field-level knowledge management efforts. In Asia and the Pacific region, IFAD is championing the documentation of project successes that feed into evidence-based policy dialogue for scaling up. Regional events such as annual workshops, which bring together governments and other stakeholders from IFAD-supported projects, provide important vehicles for knowledge sharing within the region. Other successful knowledge-sharing tools include communities of practice and learning teams within country portfolios.

IFAD's enhanced focus on South-South and triangular cooperation is facilitating efforts to make knowledge and lessons learned from projects available. In Asia and the Pacific region, IFAD will be piloting a South-South initiative with support from China and Indonesia.

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