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Enabling poor rural people
to overcome poverty

IFAD Medium-term Plan 2010-2012

Progress report

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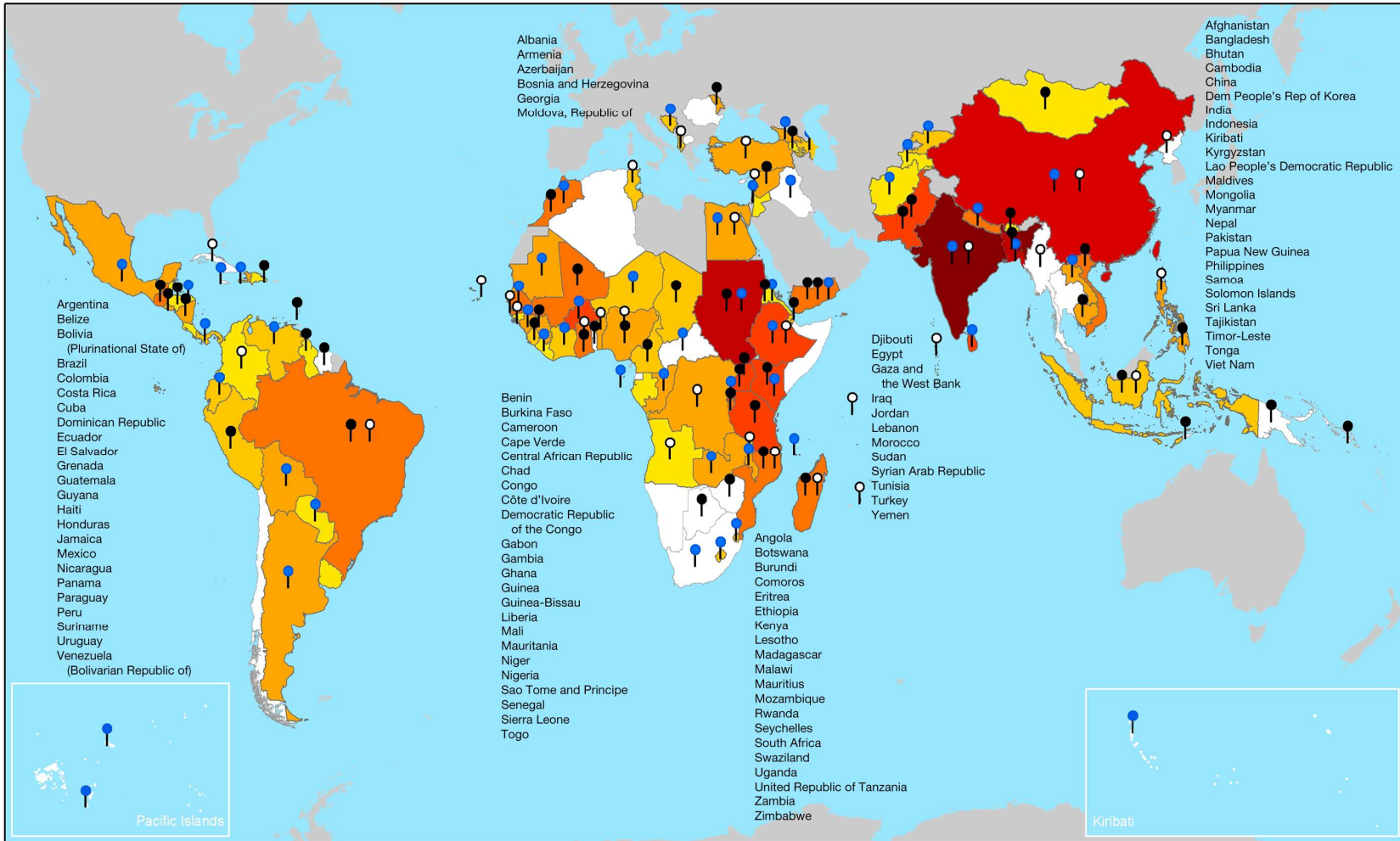
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Abbreviations and acronyms

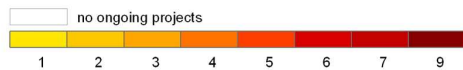
CDS	Office of the Chief Development Strategist
CFS	Controller's and Financial Services Division
CGIAR	Consultative Group on International Agricultural Research
CMR	corporate management result
COSOP	country strategic opportunities programme
DSF	Debt Sustainability Framework
ICO	IFAD country office
ICT	information and communications technology
IFI	international financial institution
IOE	IFAD Office of Evaluation
LEG	Office of the General Counsel
MDG	Millennium Development Goal
MTP	Medium-term Plan
ODA	official development assistance
QA	quality assurance
RMF	Results Measurement Framework
SEC	Office of the Secretary

The first IFAD Medium-term Plan (MTP) is a "work in progress" and represents IFAD's programme of work. In the December draft, IFAD will present resource inputs in the context of the MTP that are absent from the present version, as IFAD is concurrently examining its administrative and human resource allocations, using zero-based budgeting and strategic workforce planning methodologies to ensure resource alignment with its strategic and MTP objectives.

IFAD-funded operations



Number of projects by country as of 1 January 2010



New project in



12-8-2010

Executive summary

1. Achievement of the first Millennium Development Goal of eradicating extreme poverty and hunger is at the heart of the work of the International Fund for Agricultural Development (IFAD, or the Fund). IFAD's first Medium-term Plan (MTP) 2010-2012 is guided by the Agreement Establishing IFAD and the IFAD Strategic Framework 2007-2010, which mandate IFAD to work for agricultural growth and rural development. The MTP sets out a rolling three-year corporate workplan to generate outcomes in support of rural poverty reduction and food security. Medium-term plans are constantly reviewed and assessed, and IFAD's first MTP is also a "work in progress". In the December draft, the Fund will present resource inputs in the context of the MTP that are absent from the present version, as IFAD is concurrently examining its administrative and human resource allocations, using zero-based budgeting and strategic workforce planning methodologies to ensure resource alignment with its strategic and MTP objectives.
2. As the only United Nations specialized agency and international financial institution engaged solely in agricultural development, IFAD has a golden opportunity to catalyse dialogue and programmes. The rural sector offers far-reaching benefits beyond food security, such as meaningful employment (including for those escaping urban poverty), viable smallholder livelihoods, and a grounding for improvement in conditions of law and order.
3. In a three-year rolling workplan, the MTP logical framework highlights IFAD's delivery of its programme of work in terms of country programmes, loan- and grant-funded projects, technical services and policy dialogue, and knowledge management products. It identifies a wealth of policies and strategies that enhance IFAD's capacity to deliver innovative and replicable development solutions on the ground to resolve the challenges of smallholder poverty reduction. Finally, the MTP identifies risks that must be mitigated if IFAD's work is to have sustainable development impact, and it outlines the assumptions that underpin effective and efficient execution.
4. Country programmes, projects and regional grants are the principal tools with which IFAD delivers development results at the local level, as they directly engage with smallholders, farmers, fishers, pastoralists, small entrepreneurs and poor rural people. IFAD's programme of work for loans and grants will reach US\$3 billion under the current Eighth Replenishment of IFAD's resources, covering 2010-2012 – the same period as IFAD's first MTP. Including cofinancing, targeted at a ratio of 1.5 to IFAD's own resources, the Fund would mobilize and deliver approximately US\$7 billion of assistance in the first MTP period.
5. In the light of expanding operations in an increasingly complex aid architecture and economic environment, IFAD Management has introduced a change and reform agenda that will generate efficiency gains for the organization and will align IFAD's resources more closely with its strategic priorities and deliverables. These initiatives form a central area of activity in the context of the MTP – in addition to its core operations in producing financing packages and technical assistance services for the benefit of smallholder agriculturalists.
6. The MTP sets out IFAD's objectives in terms of development impact and efficiency, and describes how IFAD is organizing itself and its resources to achieve them. The key drivers of the MTP are the programme of work and the portfolio of projects, with the plan clearly indicating the key outputs that will be delivered in each of the three years. IFAD is applying zero-based budgeting to align the 2011 administrative budget expenditures with the MTP; and is using a strategic workforce planning approach to ensure that the deployment of its human resources is directly linked with the 2010-2012 programme of work identified in the MTP. Work on these processes has begun, and they will be integrated into the December 2010 version of the plan.

IFAD Medium-term Plan 2010-2012

I. Overview

1. Extreme poverty remains a reality for over a billion people worldwide. Three quarters of the world's extreme poor live in rural areas, and most of them are dependent on agriculture, directly as farmers or farm labourers, or indirectly through agricultural marketing, enterprises, and input supply and marketing. Many others are dependent on forests, fisheries or other rural activities.¹
2. With three quarters of the world's one billion poor living in rural areas, many are landless people or farmers with plots too small to provide for their needs. Impediments to their progress relate to a critical lack of access to land, water, financial resources, and agricultural technologies and services. They also lack access to markets and opportunities for enterprise that could help them increase their production, produce and market surplus, and thereby would generate income that would enable them to build resilience and to access health and educational services. Above all, they lack the organizational power and influence required to advocate for their own needs and to take advantage of emerging opportunities. Women, whose role and participation in planning and implementing assistance programmes are widely recognized, are usually the most disadvantaged.
3. The 2007-2008 food price hikes demonstrated the grave implications of underinvestment in agriculture by governments and donors alike. Official development assistance (ODA) to the agriculture sector declined from 18 per cent in 1979 to 3.5 per cent in 2004, as the share of public spending on agriculture in agriculture-based countries fell significantly – from 10 per cent in 1980 to less than 4 per cent in 2004.² In consequence, the world was caught unprepared, with agricultural producers unable to balance the structural and temporary demand surges with greater production, a fact evidenced in dramatic increases in the number of poor people across the developing world.
4. On the other hand, evidence shows that investment in agriculture increases overall growth far more than investment in the rest of the economy. At the same time, global agriculture is changing. The emergence of global value chains, biotechnology-driven agricultural research and new markets for biofuels have led to renewed confidence that agricultural research promises a fundamental “step change” to the development of low-cost, pro-poor technologies and extension services, thus unlocking production potential.
5. Triggered by the food price crises, the private sector is collaborating with multilateral aid agencies to plant a sound and sustainable basis for expanding farmer-to-market supply chains. The private sector – domestic and international – is expressing a more pronounced interest in playing a role in leveraging additional resources and facilitating market access, enabling enhanced commercial opportunities for smallholders. The food price crisis also gave impetus to a renewed global commitment to agricultural development and food security, which in turn has brought new capital for fuel innovation and the scaling up of successful solutions.
6. Based on its own experience, IFAD believes that there are proven and effective approaches to raising rural incomes and reducing rural poverty that are amenable to scaling up. IFAD also believes that the potential of smallholders is not limited to improving their livelihoods, but extends to a contribution to national economic growth and development. This can be realized once agriculture, whatever its size, is viewed as a business and smallholders as small-scale entrepreneurs, and the appropriate policies and supportive actions are put in place.

¹ See World Bank, *World Development Report 2007: Development and the Next Generation* (Washington, D.C., 2006).

² Ibid.

7. The Medium-term Plan (MTP) for 2010-2012 is anchored in IFAD's firm belief that agricultural growth has the potential to meet the food and nutrition needs of an ever-increasing population. Agriculture harbours opportunities for meaningful employment and social safety, with the capacity to stem migration to urban centres, reducing urban poverty and social tensions. Community-based agriculture and rural development also sow the seeds for a closely knit social fabric that provides grounding for improved law and order.

II. IFAD's strategic objectives 2010-2012

8. The first Millennium Development Goal (MDG1) to eradicate extreme poverty and hunger is at the heart of IFAD's mission and is where IFAD focuses its attention and work (table 1). Acting together, the global community has determined to accelerate progress on rural poverty reduction, food security and agricultural development – integral to achieving MDG 1 and the interconnected MDGs for gender equality and universal education. Collaboration on agriculture, food and nutrition has led to new forms of cooperation in mobilizing investment financing to achieve greater results on the ground. This, in turn, will lay the foundation for speeding up progress over the MTP period and beyond. The realization of IFAD's strategic objectives, described in the MTP logical framework in the annex, is making a specific contribution to the MDGs through agricultural growth and rural development.
9. IFAD works to accelerate smallholder development worldwide and makes a vital contribution to reducing: (i) the share of the global population living on less than US\$1.25 a day; (ii) the prevalence of undernourishment; and (iii) the proportion of underweight children (under 5). It achieves this through raising crop production, value added in agriculture, ODA to agriculture, and the share of national fiscal budget allocated to agriculture and rural development.

Table 1
MDGs and global agricultural development indicators

Indicators	Baseline year	Baseline value	2012 target
MDG 1: Population living on less than US\$1.25 a day (%) ^a	2005	26	21
MDG 1: Prevalence of undernourishment in population (%) ^a	2002-2004	17	10
MDG 1: Children under 5, underweight (%) ^a	2005	27	17
Crop production index (1999-2001 = 100) ^b	2006	112.4	Tracked
Agricultural value added (annual growth) (%) ^b	2004	4.1	Tracked
Level of ODA to agriculture ^c	2007	US\$4.2 billion	Tracked
Share of budget allocated to agriculture and rural development (%) ^d	2005	5	Tracked

^a United Nations, *The Millennium Development Goals Report 2008* (New York, 2008).

^b World Bank, *World Development Indicators 2009* (Washington, D.C., 2009).

^c Of the US\$3.4 billion, Africa's share was US\$1.2 billion. The share of agriculture in total ODA was 3.4 per cent in 2004 (World Bank, *World Development Report 2009*, p. 41), http://stats.oecd.org/wbos/Index.aspx?DatasetCode=ODA_SECTOR.

^d For Africa, the New Partnership for Africa's Development (NEPAD) has advocated a 10-per-cent share to agriculture in national budgets. A monitoring system has also been established. For the rest of the world, IFAD will use the statistics compiled by the International Monetary Fund (IMF).

10. The MTP logical framework (annex, page 19) highlights that the greatest risks to rural development and agricultural growth, and by extension to IFAD's success as a development agent, are political instability and conflict, lacklustre commitment to agricultural development and funding constraints. Over the past 25 years, most internal conflicts have taken place in poor countries and more than half the countries in which international development agencies operate are affected by war. Worse, in a majority of these countries, conflict is an ongoing dilemma, rather than a temporary event. As IFAD works with communities and governments in problematic environments, it safeguards development effectiveness by setting realistic objectives and time frames and, above all, realistic resource envelopes that take account of the high operating costs in remote and challenging conditions.

11. IFAD's country-level policy dialogue acknowledges that: agriculture and rural development are yet to be fully addressed in many national poverty reduction strategies; in many developing countries, agriculture ministries have only limited capacity to carry out crucial policy reforms; and while poor rural people are finding their voice through stronger organizations, they are still far from being equal partners in shaping the policies that affect their livelihoods. IFAD is quickly becoming a lead advocate of community and national ownership of agricultural development and of creating fiscal and political space for agricultural investment and poor rural people, ensuring that their issues receive attention and resolution in government planning and policy processes.
12. While agricultural development in the developing world has suffered from reduced public and private investment levels, including reductions of aid funding, IFAD maintains its chartered course, defined in the MTP logical framework, to finance rural agriculture throughout the developing world with a view to sustainably enhancing agricultural productivity; increasing rural food production, self-sufficiency and food security; raising rural incomes; improving health, nutrition and education standards and the general well-being of poor rural people.
13. IFAD is aware that patterns of agricultural and rural development are changing, as are social, economic and political conditions. During the MTP period, IFAD will adopt a new strategic framework to reflect these dynamic factors and to ensure that IFAD continues to add value in the diverse country contexts. Paramount among these is the preparation of a new strategy for middle-income countries, through which IFAD seeks to engage with smallholders who remain poor in countries that have benefited from development critical to enhancing global food security. Similarly, in addition to its policy on crisis prevention and recovery (2006), IFAD is preparing a rapid post-disaster framework for rehabilitation and reconstruction to engage more intensively in support to fragile states, when these face periods of severe downturns.

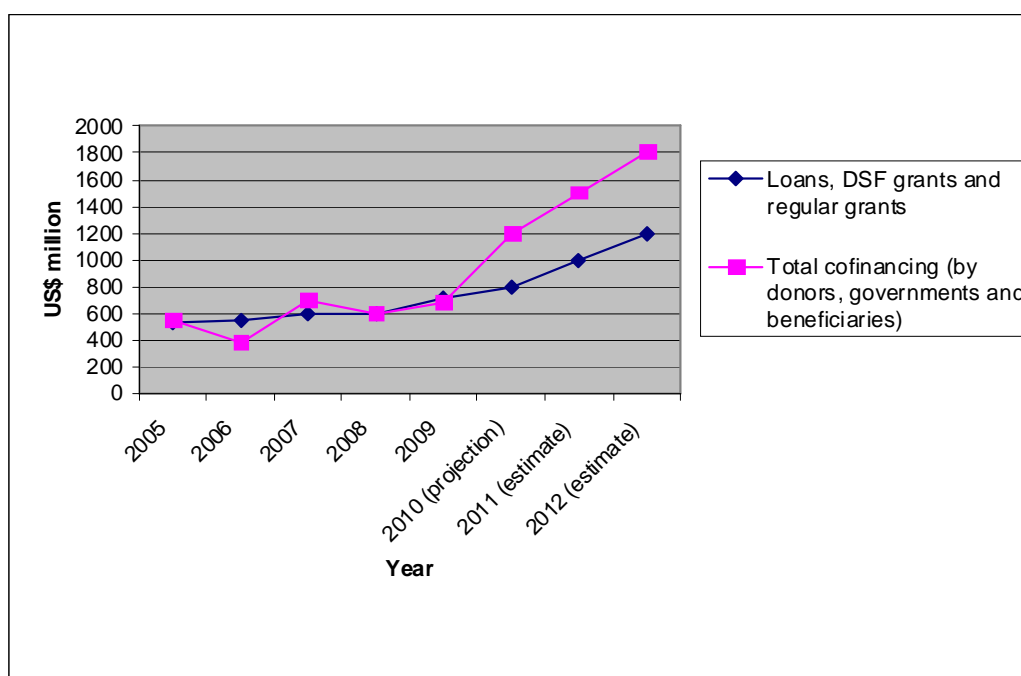
III. Country strategic opportunities programme outcomes 2010-2012

14. The MTP logical framework (annex, page 21) describes IFAD's work through its country strategic opportunities programmes (COSOPs), projects, global and regional grant programmes, knowledge management and innovation, and policy dialogue on agriculture and rural development. IFAD's stakeholders include smallholder farmers and poor rural people – in particular, women – as well as employees of rural businesses, agro-industry and government. IFAD projects and programmes support agricultural development, rural financial services, rural infrastructure, livestock, fisheries, capacity- and institution-building, storage and food-processing-cum-marketing, agricultural research, extension and training, natural resource management, forestry, fisheries, livestock and small- and medium-scale enterprise development.
15. The Fund's resources are allocated to country loans and grants using the performance-based allocation system (PBAS), based on variables that reflect country need and performance: more resources are allocated as rural populations increase and as per capita income declines (need) and as performance on rural policy and project portfolio performance improves (performance).
16. IFAD's PBAS approach includes a special provision for rural-sector performance, which is weighted heavily in the overall assessment of country policies and institutions. This performance review is the basis on which IFAD conducts policy dialogue and encourages a rural and agricultural focus. It reviews the PBAS system on a continuing basis to ensure that it remains up to date and relevant, and that it takes account of evolving practices in other international financial institutions (IFIs), such as issues relating to fragile states and changes in grant policy.

17. Under the Eighth Replenishment of IFAD's resources (IFAD8), 2010-2012, IFAD will deliver a programme of loans and grants 50 per cent larger than in the previous triennium, approving some US\$890 million in 2010, US\$1 billion in 2011, and US\$1.2 billion in 2012 (see figure 1 and the MTP logical framework, annex, page 22). It will support an ongoing portfolio of over 250 projects and approximately 300 grants.³ In the MTP period, IFAD's lending and Debt Sustainability Framework (DSF) grant programmes will involve larger country programmes and projects, scaling up innovative solutions for sustainable rural development. These will increasingly respond to new challenges of alignment with country rural development programmes, and will seek expanded partnerships with other sources of finance, including governments, the private sector, official and non-governmental donors. IFAD will manage this expansion with increasing efficiency; that is, the loan and grant programmes will expand faster than IFAD's total administrative costs.

Figure 1

IFAD's loans, DSF grants, regular grants and total cofinancing (2005-2009 actual and 2010-2012 estimated)



18. The content of IFAD's activities and operations reflects specific opportunities and challenges driving the agriculture sector and the long-term challenges of food supply. Consequently, it is critical that the following issues be incorporated into IFAD's operations: agricultural productivity, natural resource management, adaptation to climate change, partnership, response to diversity, the needs of middle-income countries and fragile states, and collaboration with the private sector. IFAD's effective engagement with these issues will be an index of its continued relevance and effectiveness – and of its status as a partner-of-choice in the development of the global response to food insecurity and rural poverty.
19. The projected number of IFAD COSOPs is based on the broad objective of having operative country strategies in all countries in which IFAD has a major programme (40), plus some key fragile states (5). Nine COSOPs are projected for 2010, 10 for 2011 and 7 for 2012, for a total of 26 COSOPs in the MTP period. For the remaining

³ These grants include IFAD's Debt Sustainability Framework (DSF) grants, which are grants to finance country investment projects under the Heavily Indebted Poor Countries Debt Initiative, and IFAD's regular grant programme, financing projects outside of those eligible for DSF funding. Regular grants are primarily for global and regional programmes, covering more than one country, but also include small country grants.

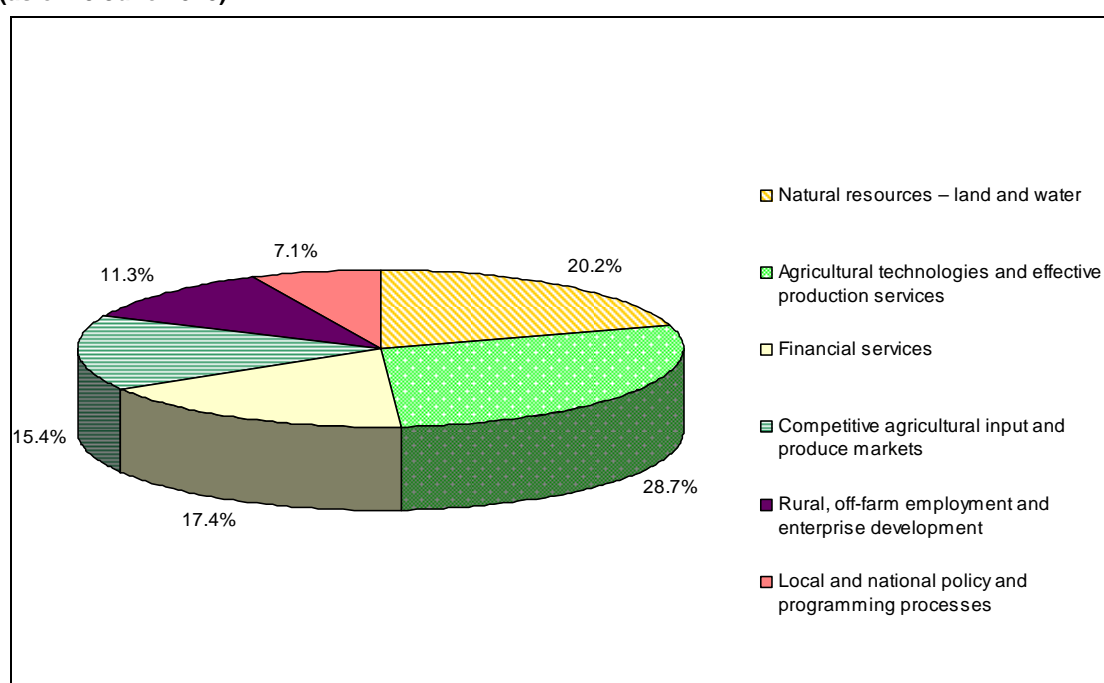
19 countries, IFAD had prepared five-year COSOPs in 2008 and 2009. The Fund finances projects in 90 countries. However, to keep costs to a minimum in order to steer funds to the programmes and projects themselves, IFAD does not prepare COSOPs for countries with only one new operation; in those cases, IFAD's country objectives are described in the project documents.

IV. Project outcomes 2010-2012

20. IFAD's strategic and country objectives are achieved through its loan and grant programmes and projects (see the MTP logical framework, annex, page 22).
21. The planned 2010 programme of loans and grants is US\$890 million. The regular grant programme will be US\$52 million. In addition, IFAD manages a substantial supplementary grant-funded programme. Annually, IFAD prepares more loan- and grant-funded projects than it approves. The rolling nature of the MTP ensures flexibility over the years, enabling IFAD to adjust to slippage in the programme of work due to changes in country circumstances. Conversely, some projects are advanced, when, for instance, government priorities change in favour of rural development. The MTP's rolling three-year framework allows for movement and flexibility among the annual plans, and helps IFAD stay on course in supporting poor rural people at full capacity in any one year. The MTP planning framework helps IFAD gauge the impact likely to result from a corresponding acceleration in disbursements and the generation of development outputs.
22. In 2011 IFAD is planning to approve about US\$1 billion in loans and grants, including a regular grant programme of about US\$65 million. In 2012 the total programme is projected to reach US\$1.2 billion, including US\$78 million in regular grants. The anticipated distribution of IFAD's programme of loans and DSF grants in 2011 across IFAD's strategic objectives is discussed below and shown in figure 2.

Figure 2

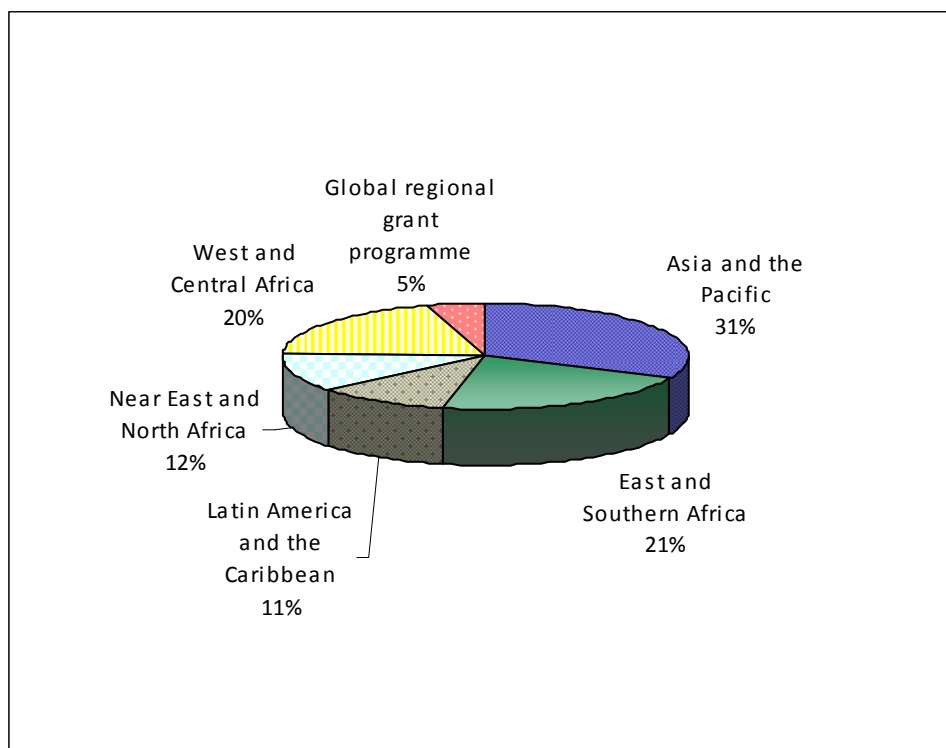
**Planned distribution of 2011 lending and DSF grants by IFAD strategic objectives
(as of 25 June 2010)**



V. Grant programme outcomes 2010-2012

23. The MTP logical framework (annex, page 23) describes targets for IFAD's grant programme, which amounts to US\$52 million in 2010, US\$65 million in 2011, and US\$78 million in 2012. IFAD places great strategic value on the use of its grants, maximizing synergies between its loans and grants, using the lending programme more systematically to scale up grant-financed innovations and using grants more proactively as a tool for innovation and learning (figure 3).
24. The IFAD Policy for Grant Financing approved by the Executive Board in December 2009 acknowledged that the grant programme needs to be better prepared and supervised and, as with loans, fewer but larger grants approved. Grants managed by IFAD will be (i) vetted against increasingly high-quality standards; (ii) more closely related to country or regional objectives and programmes; and (iii) planned more strategically and, where possible, clustered into single agreements with institutions currently managing more than one IFAD grant. While the Policy and Technical Advisory Division is a major sponsor of global grants, regional grants are sponsored by all IFAD regional divisions. The competitive process for selecting grants for financing will focus more on divisional grant strategies and the quality of individual proposals.
25. A major grant recipient continues to be the Consultative Group on International Agricultural Research (CGIAR), an informal association of 57 public- and private-sector members that supports a network of 16 international agricultural research centres. CGIAR covers research for crops that provide 75 per cent of the food and protein requirements of developing countries. In addition, grants support farmers and indigenous peoples' organizations, international and local NGOs, specialized United Nations agencies, developing country research institutes, and educational institutions. Regional organizations and the private sector will also receive some grants. Capacity-building, knowledge-sharing, lesson-learning, policy dialogue and experimenting with innovation will be the focuses of IFAD's grant programme.

Figure 3
Geographical distribution of grants



VI. Project implementation outcomes 2010-2012

26. As indicated in the MTP logical framework (annex, page 24), by 2012 all IFAD-financed projects will be directly supervised by IFAD, except those projects jointly supervised with a qualified cofinancier. IFAD is focusing on improving its capacity to provide high-quality supervision, implementation and loan administration support to achieve more-rapid project impact. This involves reducing the gap between project approval and first disbursement, as well as overall disbursement lags. A special supervisory effort will also be required where project start-up delays are particularly long, and where project implementation problems are severe. Supervision efforts will thus be increasingly customized to the country and project situation. This will be accomplished largely by increasing the frequency and quality of supervision, permitted, in turn, by expanding the supervisory capacity of IFAD country offices (ICOs).
27. Since 2008, when IFAD began to take over project supervision from the cooperating institutions, it devolved the project supervision function to the regional divisions, all of which now have capacity for the supervision of fiduciary aspects of project management. These are supported by the Controller's and Financial Services Division (CFS), which provides quality control and verification functions, and by Programme Management Department (PMD) oversight functions and training. In the MTP period 2010-2012, IFAD is training key borrower staff in order to upgrade fiduciary control of its projects (e.g. procurement, verification of withdrawal applications), and subsequently its performance towards established project and strategic objectives.
28. These efforts will contribute to better outcomes in country programme operations over the MTP 2010-2012 period. IFAD will be able to apply a proactive problem-solving approach in direct supervision and to move to more-continuous supervision from country offices. Its supervision experience will also allow IFAD to: capture and disseminate knowledge generated through direct supervision in order to refine new country strategies and project design; provide information for IFAD's contribution to national policy dialogue; and help IFAD build a stock of good operational practices that will contribute to effective and efficient project implementation.

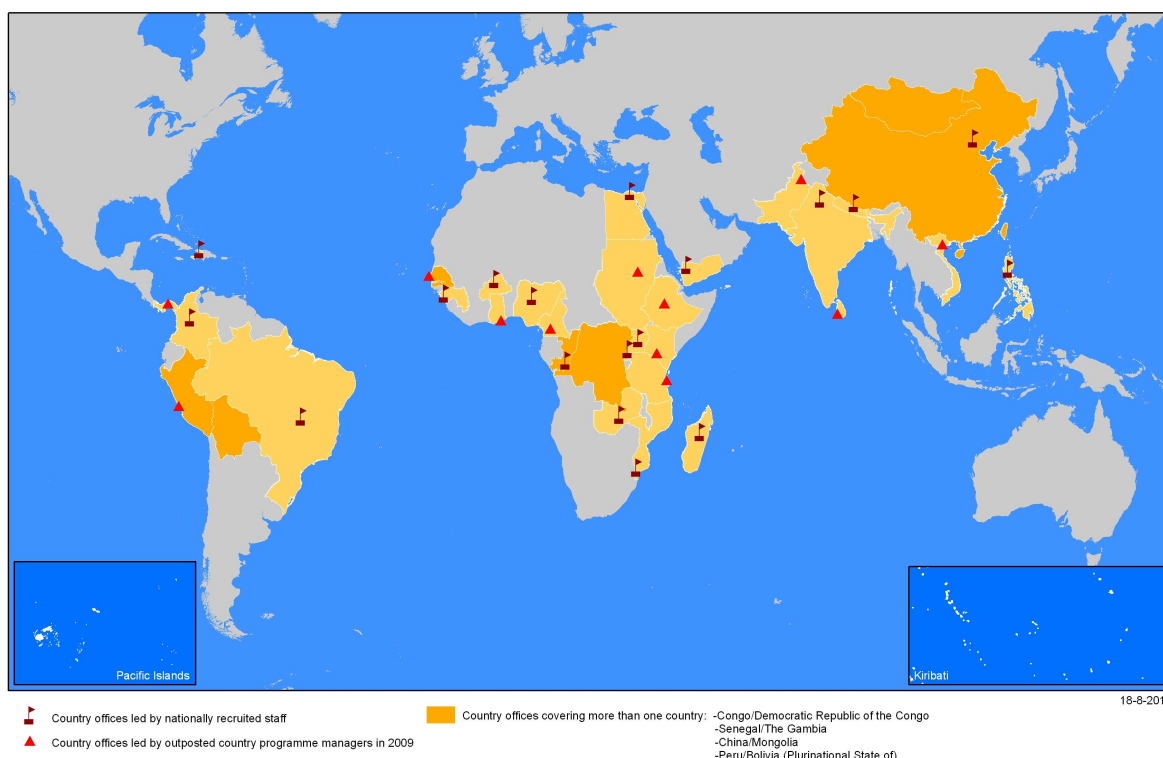
VII. Project design and implementation support outcomes 2010-2012

29. In the MTP period, IFAD will average 39 projects per year, representing a dramatic increase in demand for IFAD's services, as the Fund approved 33 projects in 2009. IFAD will embrace this expanded role by reviewing its business processes to make them faster, more flexible and more tightly integrated with national programming, policies and procedures. Thus delivery on IFAD's objectives is predicated on a number of changes and reforms to its institutional and policy framework so as to enhance its strategic guidance and policy instruments.
30. Described in the MTP logical framework (annex, page 25), IFAD will strengthen the design and management of its COSOPs, with a particular regard to alignment with country and local needs, government priorities, and harmonization with development partners. IFAD will also revise the guidelines for COSOPs in 2010, modifying the 'at-entry' quality assurance (QA) mechanism for COSOPs to assure greater focus on its relevance. In addition, its annual country programme implementation reviews will involve increased government and key in-country partner engagement.
31. The MTP plan has also set targets for project design innovations, including updating project design and project-quality enhancement guidelines to expedite these processes. This will involve: developing differentiated design reporting formats, more pertinent project files and implementation reports; implementing continuous design processes driven from ICOs; scaling up IFAD's successful pilots through

cofinancing; and creating trust funds to finance detailed project design work to accelerate project start-up activities. The revised business processes will aim to make these activities faster, more flexible and more integrated into national programming, with greater emphasis on absorptive capacity and faster disbursement.

32. On the institutional front, in the MTP period, IFAD will improve country programme and project sustainability through the following actions:
- (a) **Country ownership:** IFAD will invest in national capacities for design and implementation and will approve revised procurement guidelines that amplify the use of national systems and joint missions with partnering agencies and government counterparts.
 - (b) **South-South partnerships:** IFAD will foster sharing of successful experiences and technologies among the countries and regions.
 - (c) **Private-sector engagement:** IFAD will connect smallholders with markets for agricultural inputs, processing, marketing and financial services through more-effective partnerships. The Fund has already revised the IFAD Policy for Grant Financing (2009) to permit it to extend grants to private-sector entities.
 - (d) **Country presence:** IFAD will increase its responsiveness to country-level demand, policy and programming processes and its engagement with country-level actors by establishing a total of 30 ICOs by end-2010, 35 by end-2011, and 40 by end-2012. These will be hosted by other international organizations, primarily the United Nations Development Programme, the Food and Agriculture Organization of the United Nations and the World Food Programme, and will be staffed largely by locally recruited experts and in some cases by outposted country programme managers (12 in 2011). ICOs will play a critical role in achieving increased efficiency in development operations, creating synergies among supervision activities, ensuring coherency of programmes and projects with national priorities, and implementation effectiveness. A country presence strategy will be presented to IFAD's Executive Board in April 2011.
 - (e) **Climate change mainstreaming:** With the support of the IFAD Climate Change Strategy (2010) and the new environment and natural resource management policy slated for approval in 2011, IFAD will make its programmes and projects 'climate smart' and will systematically mainstream climate change concerns.
 - (f) **Scaling up:** IFAD will augment its scaling up opportunities by examining institutional, organizational and policy contexts in order to: create incentives and conditions for effective scaling up; cultivate partnerships able to scale up high-quality pilots; and evaluate the scaling up of experimental projects to find more pathways for catalysing greater impact for poor rural people – taking account of the recommendations of the recent review of innovation and scaling up by the IFAD Office of Evaluation (IOE) (2010).
 - (g) **Gender mainstreaming:** IFAD's new strategic framework will bring rural women to the forefront of its operations as critical development champions. Taking note of analysis prepared by IOE on gender, IFAD will revise its agenda on gender issues in 2011.

IFAD country offices



- (h) **Indigenous people:** Under the IFAD Policy on Engagement with Indigenous Peoples (2009), the Fund will: continue to invest about 20 per cent of its loan and grant programmes in development for indigenous peoples; provide guidance on good practices in such development; document its experiences in order to pursue informed advocacy and policy dialogue in partnership with major international organizations; and co-manage the growing Indigenous Peoples Assistance Facility (IPAF).
- (i) **Partnerships:** IFAD will build deeper partnerships to underpin sustainable rural development – including with smallholders’ organizations and their international umbrella organization, the Farmers’ Forum. At the international level, IFAD has been recognized among IFIs as specialized in developing highly calibrated agricultural assistance in remote areas requiring community-level participation and consultation networks and skills. IFAD will submit a review of its existing partnerships to the Executive Board by September 2011.

VIII. Achieving and measuring programme and project results

33. IFAD’s country and regional operations are evaluated against targeted achievements that link IFAD’s performance to its strategic objectives. Country programmes and IFAD-financed projects will be consistently monitored and supervised during implementation and at completion (table 2). Programmes will be evaluated and monitored for their relevance (consistency of project objectives with the priorities of poor rural people); efficiency (economic conversion of programme resources into results); sustainability; scaling up; innovation; poverty impact; and gender equality. Success achieved in these factors has been decisive in improving IFAD’s impact on smallholder livelihoods and ensuring IFAD’s relevance in the global development architecture.

34. Based on IFAD's quality assurance system, key indicators are monitored to provide an early assessment of project quality at project approval by the Executive Board. In this system, each new COSOP and each new project are independently reviewed and scored by independent experts. In addition, country programmes and projects are measured at completion, enabling effective review of the results achieved and lessons for the future design of programmes and projects. The MTP results are measured by IFAD's Results Measurement Framework (RMF) and reported in the Annual Report on Results and Impact of IFAD Operations (ARRI).
35. To provide a historical perspective, in 2006 IOE reviewed these measures with the following conclusions: project effectiveness at completion was marginally satisfactory or better in 72 per cent of the projects studied,⁴ a satisfactory impact on rural poverty was found in only 37 per cent of projects, and only 40 per cent of projects were found to be sustainable at completion. By 2007 (one of the baseline years shown above) significant improvements had been recorded. IFAD welcomes the 2012 targets, which are highly ambitious, but set a course for IFAD to pursue real advancement in the livelihoods of poor rural people.

Table 2

Performance targets and indicators for project performance at entry

<i>Results Measurement Framework indicators</i>	<i>2008 actual (Percentage)</i>	<i>2012 target (Percentage)</i>
RMF indicators: Better country programme management		
Percentage of country programmes rated 4 or better at entry (based on QA or project data) for:		
Contribution to increasing incomes, improving food security and empowering poor rural women and men (QA)	100	90
Adherence to aid effectiveness agenda (client survey)	96	90
Percentage of ongoing projects actually receiving international cofinancing (2009 baseline)	61	65
RMF indicators: Better project design (loans and grants)		
Percentage of projects rated 4 or better at entry for:		
Effectiveness (QA)	93	90
Rural poverty impact on the target group (e.g. through physical and financial assets, food security, empowerment) (QA)	91	90
Sustainability of benefits (QA)	81	90
Innovation, learning and/or scaling up (QA)	86	90
RMF indicators: Better supervision and implementation support		
Average time (months) from project approval to first disbursement	20	14
Percentage of problem projects in which major corrective actions are taken (proactivity index)	69	75
Percentage of projects for which IFAD performance rated 4 or better (ARRI) (2009)	64	75
Percentage of problem projects in ongoing portfolio (PPMS)	19	15
Percentage of time overruns for ongoing projects (PPMS)	22	20
Average days for processing withdrawal applications (directly supervised projects) (PPMS) (July 2009-30 June 2010)	43	39
Consultation report indicator		
Cofinancing ratio – IFAD financing to total cofinancing, both international and domestic	N/A	1:1.5

PPMS: Project Portfolio Management System, maintained by Management.

ARRI: Annual Report on Results and Impact of IFAD Operations, IFAD Office of Evaluation data.

QA: quality assurance system data.

N/A: not applicable

⁴ The IOE-reviewed projects were approved by the Executive Board in the 1995-2001 period and completed by 2005. See the ARRI 2006 report (EB 2007/92/R.7).

IX. Knowledge management and policy dialogue outcomes 2010-2012

36. Thirty-three years of project design and implementation experience have endowed IFAD with a wealth of development experience, expertise, knowledge and lessons on what works in agricultural and rural development, an invaluable resource for IFAD to draw on in developing value adding assistance to smallholders. Sharing this knowledge is not only an effective instrument for scaling up IFAD's successes, but also places an onus on IFAD to build global awareness of development outcomes and possibilities. IFAD will institute new advocacy and communication strategies in 2010 to guide and coordinate units engaged in advocacy and policy dialogue. It also builds IFAD's capacity to attain its operational objectives and its ability to identify instrumental opportunities to influence policy at national and global levels. A vital element of IFAD's knowledge development is its grants programme, and a sizable 'knowledge' grant is expected to harness knowledge products accessible to all.
37. During the MTP period, IFAD will: (i) maximize use of field-level information, capture knowledge regarding current developments and capitalize on greater sharing of field, project and policy experience through workshops, training, visits to the field, participation in other donor programmes, publications and submission of experiences to IFAD's website; (ii) strengthen practice and thematic groups, modelled on existing groups such as gender, rural finance, livestock and natural resource management; (iii) involve outside reviewers of IFAD projects to tap external knowledge, under its quality enhancement process; (iv) continue to disseminate IFAD's publications and materials to partners; (v) scale up successful IFAD project innovations; (vi) encourage South-South knowledge-sharing; and (vii) partner with other institutions in knowledge management activities.
38. With most of the net food-deficit countries contributing less than 10 per cent of their fiscal allocations to the agriculture sector, IFAD's policy dialogue work at the country level is vital to developing a conducive environment and the needed conditions to generate the intended food security and rural development impacts. In providing policy dialogue services, IFAD focuses on its comparative advantages to bridge critical gaps in policy dialogue, specifically on issues of effective engagement with smallholder agriculture, critical to an inclusive and sustainable response to the food security challenge.
39. To develop IFAD's leadership in knowledge and policy dialogue, IFAD's new Office of the Chief Development Strategist (CDS), established 1 January 2010, will drive and monitor IFAD's participation with regard to emerging issues in smallholder-based agriculture and rural poverty reduction, as well as guide IFAD's strategic contribution to policy dialogue, knowledge management and programming, including promoting inclusion of agriculture and rural development in emerging climate finance modalities. CDS will strengthen IFAD's analytical and leadership capacity in the global dialogue on rural and smallholder development.
40. In the MTP period, CDS will add value to IFAD's operational business processes through research and analysis on key issues of agricultural and rural development in order to enhance IFAD's analytical capacity to engage more fully in the global policy debate. It will lead, and where appropriate, contribute towards the formulation of IFAD's key strategic plans such as the strategic framework, IFAD's MTP and other macro-level policies, so that IFAD's programmes and projects are informed by the latest thinking in our focal areas. Through enhanced partnerships and engagement in global policy debates, CDS aims to keep abreast of current thinking on rural poverty reduction and, in turn, contribute to key processes such as COSOPs, QA and other IFAD programmes and projects. In 2011 CDS is to be expanded to encompass a research division and a statistical unit with a unit head, statistician and statistical assistant (see MTP logical framework, annex, page 26).

41. The corporate policy advocacy role is central to IFAD's work. CDS will work to ensure that IFAD advocacy work – by Senior Management, the Communications Division, and other staff at global, regional and national levels – has a sound analytical basis and is informed by current, state-of-the-art thinking. As identified in the MTP logical framework, CDS will take responsibility for producing the flagship publications of IFAD, support the work of regional economists, and champion the knowledge management and innovation activities of IFAD.

X. Communication outcomes 2010-2012

42. IFAD recognizes that its external and internal communications can advance its ability to carry out its mission more successfully and attain its operational objectives more effectively. Smart communication can increase IFAD's effectiveness, affirm its profile as a champion of rural poverty eradication, and build IFAD's impact as an advocate for increased investment in agricultural development and its reputation as a results-driven organization with an unwavering focus on smallholder farmers and other poor rural producers. Transparent communication of IFAD's potential to deliver programmes and projects and the results generated through its programme of work instil confidence in its stakeholders, including its targeted beneficiaries, and increase its chances of successful replenishment and resource mobilization. IFAD's approach to communication – both internal and external – is proactive in seeking to ensure that IFAD's communications are clear, targeted, disciplined, coordinated and scaled for an institution of IFAD's size and reach.
43. In its internal communications, as IFAD's country presence expands, ensuring a strong connection between headquarters and the field is vital to deepening the sense of ownership of the Fund's agenda, to facilitate sharing of lessons learned and knowledge throughout the organization, and to ensure that IFAD staff across the globe have the tools they need to communicate IFAD's messages effectively and confidently. In terms of external communications, only a dynamic, sustained, systematic and innovative approach will enable IFAD to broaden its communication impact. In the MTP logical framework (annex, page 27), IFAD enumerates the external communication efforts that will build IFAD's 'brand' by focusing on:
- (a) The impact of IFAD's work in the countries in which it operates;
 - (b) Communication activities that contribute to IFAD's involvement in global and regional initiatives and ensure that IFAD's messages reverberate as loudly as possible;
 - (c) The roll-out of quality publications such as the *Rural Poverty Report* and the new Occasional Paper series, which contribute substantively to the debate on topics related to food security, agricultural development and rural poverty.
44. While IFAD has enjoyed a solid reputation – bolstered in recent years by the implementation of its reform agenda and its continued efforts to improve its development effectiveness and boost efficiency, including taking on supervision of its projects – in the MTP period IFAD is bringing communication to the forefront of its operations. As IFAD's presence in the field grows and its visibility rises, it will become more difficult for IFAD to shield itself from the controversies and accusations that have plagued other IFIs and United Nations agencies. Harnessing the potential of communication to address pressing events quickly, for example natural disasters that may affect IFAD target populations, will help raise IFAD's profile as an institution committed to disclosure and transparency.
45. During the MTP period, IFAD will tackle these objectives through: (i) implementing communication training throughout IFAD; (ii) developing a communication toolkit to support the corporate communication strategy and guide the handling of risks and

crises; and (iii) intensifying regional communication through partnerships across its divisions and departments.

XI. Resource mobilization outcomes 2010-2012

46. The financing requirements of inclusive and sustainable food security are daunting. Thus IFAD's resource mobilization efforts are multi-pronged. They capitalize on IFAD's capacity to catalyse resources for smallholder development in addition to the periodic replenishments that determine the core funding of IFAD's loan and grant projects every three years. The Fund also receives supplementary funds from governments, multilateral entities and the private sector (including foundations). IFAD functions as an assembler of resources, catalysing additional resources for food security objectives and agricultural production. It is working with many bilateral, regional, private-sector and foundation sources to identify cofinancing and supplementary resources.
47. While IFAD has recently successfully concluded its negotiations for the IFAD8 replenishment, it is looking forward to the IFAD9 replenishment cycle, which is expected to begin with a mid-term review of IFAD8 and to be completed in the MTP period, by 2012. As shown in the MTP logical framework (annex, page 28), IFAD's resource mobilization strategy will be discussed with the Executive Board in December 2010, with the objective of initiating IFAD's Ninth Replenishment negotiations in 2011.
48. In the IFAD8 negotiations, IFAD adopted an ambitious target for expanding the cofinancing of projects. It is exploring new mechanisms for mobilizing additional resources, particularly in support of the smallholder sector. IFAD will support existing and emergent global financing mechanisms, for instance by supervising programmes and projects funded by the Global Agriculture and Food Security Program in Togo and Sierra Leone. Rising to the challenge of its cofinancing target, IFAD has signed a cofinancing framework with the Islamic Development Bank for US\$1.5 billion in 2010. During the MTP period, IFAD's resource mobilization function will develop even more cofinancing mechanisms to access greater resources for smallholder agriculture, including examining possibilities for concessional borrowing from its Member States.
49. Important outreach programmes have been initiated by the Arab and Gulf States Liaison Office (AGL), established in 2010, and the North American Liaison Office (NAL) to strengthen relations and support from Member States of the AGL and NAL regions, respectively. In the Arab Gulf region, AGL will initiate activities aimed at constructing a more fundamental partnership in the region, and will increase cooperation and cofinancing with the region's bilateral and multilateral institutions. In addition, in the MTP period, AGL will relocate to the Gulf region to maximize its outreach efficiency and effectiveness.

XII. Strategic planning and budgeting outcomes 2010-2012

50. To deliver on its strategic objectives and operational outputs, IFAD must be fully equipped and have adequate support services and resources at its disposal. Matching the administrative budget and human resources to the volume of work and requirements of its operations is essential if IFAD is to ensure successful development impacts and mitigate the risks that may arise from under-resourced activities.
51. Attainment of IFAD's objectives requires the robust system of a multi-year rolling administrative budgeting and workforce plan to tailor financial and human resources directly to operational requirements. The paramount issue for strategic budgeting is to ensure that the rapidly expanding programme of work and project portfolio receives expert attention, including through adequate staff and

consultancy resources, field visits and capacity development resources. These resource needs are expected to grow to ensure fiduciary and technical supervision of both the design and supervision of IFAD's work in the field. At the same time, IFAD is implementing a review of its budget use to contain and reduce costs, where such opportunities are identified.

52. The rolling three-year MTP is instrumental in linking overall resource planning to IFAD's strategic food security and agricultural development objectives. Using a zero-based approach to appraising budget allocations helps IFAD rigorously identify economies of scale, efficiencies and savings, and prune the administrative budget to squarely align resources with its core objectives. In addition to MTP, IFAD is preparing the 2011 administrative budget proposal and a strategic workforce plan, which together will steer financial and human resources so that IFAD can accomplish its objectives. These tools will link resource management to continuing effectiveness and efficiency planning, which is compounded in the human resource management reform that IFAD implemented in 2010.

XIII. Human resource management outcomes 2010-2012

53. IFAD's staff is its core asset – and produces IFAD's results in collaboration with country and international counterparts. In 2010, IFAD established a record of its historic and current workforce and an inventory of the many types of contractual arrangements and tenures in order to assess their suitability and productivity, incentives, performance results and costs to the organization. Taking account of the new operating model – with an emphasis on expanding IFAD's country presence and project implementation – IFAD's human resource management is undergoing reforms (MTP logical framework, annex, page 29) that will streamline and reinforce the use of the Fund's human resources, and provide a coherent framework for recruitment, deployment, retention and development of staff and thus generate greater returns to the human resource investments IFAD is making, both at IFAD's headquarters and in the ICOs.
54. The MTP also links IFAD's efforts to reform human resources and their management with target outcome indicators that focus on generating diversity and equity, as well as endowing the institution with calibrated expertise and field-based experiences, necessary for ensuring that IFAD's target group benefits from the Fund's excellence in skills and competencies, and from updated technology transfer.

XIV. Financial management outcomes

55. IFAD, as a financial institution, mobilizes, receives, programmes and channels financial resources through its loans and grants to programmes and projects in order to achieve its strategic and operational outcomes. It invests excess liquidity to generate income, which has become a significant additional source of resources for its operational objectives. To manage the funds entrusted to IFAD by its members, the CFS division performs control functions, processes, records and accounts for all financial movements and reports to IFAD's members and donors through public reports and audited financial statements.
56. The MTP logical framework (annex, page 30) acknowledges the importance of IFAD's efforts to strengthen its financial management and fiduciary functions. Moreover, CFS is contributing to building supportive frameworks for IFAD's field operations through a diversification of IFAD's lending terms, introduction of financial products better suited to the needs of its diverse clientele, and issuance of updated manuals and tools with an eye to the financial and accounting capacities of its borrowing Member States. It is also exploring new financial and accounting structures to attract additional funding for its programme of work, including borrowing from its Member States.
57. Increased volatility in the external financial environment, assumption by IFAD of a direct supervisory role over project implementation, expansion of its field presence,

and an increased need to mobilize external funding expose IFAD to greater and more severe financial risks. Thus IFAD is taking a number of steps to upgrade and build a more robust financial management capability. To guide these improvements, IFAD has initiated an external review of its financial operations. In addition, and reflecting financial management best practices, for the first time IFAD is undertaking a management assertion on the effectiveness of its internal controls over financial reporting, with a corresponding external audit attestation.

58. IFAD is already implementing important reforms and changes. Information technology (IT) applications that support financial processes, including the Loan and Grant System and financial management software, are being replaced and upgraded. Their functionality will be expanded to facilitate decentralized and external input and consultation, and many tasks and controls currently performed manually will be automated.

XV. Treasury outcomes 2010-2012

59. As IFAD has increased its programme of work, there is a consequent need for an enhanced level of financial management to cope with this growth and to place renewed emphasis on the efficient management of its cash resources. The Fund's liquid resources will be managed to preserve the principal, while simultaneously attempting to generate a positive return. IFAD is reviewing its investment and liquidity policies to enhance its resource management and to shift to a more dynamic asset model for management of its asset liabilities.
60. Finally, the financial management and resource mobilization functions work seamlessly together to facilitate IFAD's resource mobilization drive from the beginning of replenishment negotiations to the structuring, managing and servicing of the mobilized funds.

XVI. Information and communications technology (ICT) outcomes 2010-2012

61. In the MTP period (MTP logical framework, annex, page 31), IFAD will continue to optimize its ICT infrastructure to guarantee uninterrupted availability of corporate application systems and ICT services. To this end, it will continue to implement disaster recovery solutions and relocate critical business applications to business service centres (e.g. the United Nations International Computer Centre – UNICC). The primary goal is to provide fault-tolerant systems and connections that allow IFAD to continue to operate without disruption in the event of technical failure.
62. IFAD is also taking action to ensure that these systems and services are as accessible to country office staff as they are to headquarters staff. Having ensured access and usability, IFAD will make sure that users in country offices are actually equipped with the necessary knowledge to participate effectively in corporate processes. Headquarters users will also be equipped to participate effectively in country office processes through ICT. The primary goal in this area is to provide a secure Internet-based computing platform that effectively links headquarters with ICOs and other stakeholders in the field.
63. In parallel with ensuring access to and availability and usability of the ICT platform, IFAD will continue to implement new or enhanced application systems to support corporate business priorities and streamline administrative processes. New platforms will be implemented, including an interactive web-based platform for Member State representatives and a platform for corporate relationship management. The PeopleSoft financial platform will be upgraded and integrated with loan and grant operations. An enhanced ICT communications and collaboration platform will be provided, together with ICT support for regional knowledge networks. In addition, a number of corporate 'dashboards' (desktop applets) for information analysis and reporting will be made available to managers and staff,

and new applications will be developed to enhance the efficiency of administrative processes such as correspondence tracking, document production workflow, and electronic records management.

XVII. Administrative services outcomes 2010-2012

64. During the MTP period, IFAD's Administrative Services Division (ADM) will pursue more-efficient headquarters management and establishment of expanded country presence. To establish the 40 ICOs by 2011, ADM is setting up an administrative framework for staff operating in the ICOs, including negotiation of host-agency service agreements, host country agreements in conjunction with the Office of the General Counsel (LEG), diplomatic immunities and facilities for IFAD's ICO staff.
65. With the aim of serving IFAD's broader objectives through excellence in building services, ADM is exploring opportunities through outsourcing, development of joint services with the other Rome-based agencies, and standardization of support activities. ADM is preparing a corporate security and safety strategy for headquarters and the ICOs; moving to automated identity documents in collaboration with the host government, Italy; analysing the possibility of outsourcing insurance claims; reviewing workflows and efficiencies in record management, and updating administrative policies and procedures by introducing automation, where possible, to improve user access to and querying of the systems. To extract savings from economies of scale, through its administrative services, IFAD champions collaboration with the Rome-based agencies in the areas of procurement (including piloting of a common procurement unit), travel, data backup and financial custodian services. To offer an optimal working environment for IFAD staff, ADM monitors energy consumption and carbon imprint, paper consumption, and conditions for maintenance of a green building certificate.

XVIII. Governing bodies outcomes 2010-2012

66. The MTP logical framework (annex, page 33) acknowledges the work of the Office of the Secretary (SEC) in facilitating the proceedings of IFAD's governing bodies, promoting effective relationships between the Fund and its Member States, and providing support to diplomatic relations, as befitting the Fund's nature as an international financial institution and specialized agency of the United Nations. Thus SEC operations contribute to IFAD's work in ensuring that governing bodies are in a position to make appropriate decisions on a timely basis and that relationships with IFAD's Member States are nurtured and safeguarded. In addition, by providing editing, translation, interpretation and protocol services, SEC ensures that documentation submitted to IFAD's governing bodies and communication with IFAD's Member State representatives are efficient, clear and accessible to all.
67. In the MTP period, SEC will continue to ensure that high-quality services are provided to governing bodies, particularly in view of the increased programme of work and, subsequently, the increasing number of governing body meetings and documentation submitted thereto.
68. LEG safeguards IFAD's interests and contributes to the work of the governing bodies and of IFAD's operational units in achieving IFAD's strategic objectives through strengthening of the rule of law in all of IFAD's operations, and through the promotion of innovative legal tools and services responsive to the organization's needs. In the context of the dynamic conditions that affect IFAD's daily work, LEG has a responsibility to ensure that IFAD adheres to the highest standards of integrity and transparency, most importantly in its management of human resources.
69. The activities of LEG help ensure that all of IFAD's operations comply with the Agreement Establishing IFAD, the rules and procedures of the governing bodies and other relevant legal obligations. In addition, and particularly with respect to the expansion of IFAD's country presence and partnerships, LEG proposes new legal

frameworks and instruments. This work also facilitates resource mobilization, programme and project approvals, and IFAD's capacity to respond to global world events.

XIX. Achieving and measuring MTP outcomes and results

70. The MTP correlates IFAD's targeted results with the Corporate Management Results Framework, which is applied across the organization. Table 3 depicts the structure of corporate management results (CMRs), which emphasize IFAD's field-based programme of work under CMRs 1-3 and programme support operations under CMRs 4-9. IFAD's CMR Framework aligns with international best practice in managing for development, which focuses on achieving the MDGs and incorporates the objectives agreed by the High-level Forum on Aid Effectiveness in Paris in 2005, as reinforced in Accra in 2008. The framework is also taken into consideration by IOE in coordinating results measurement coherently with IFAD Management.
71. Since 2006, IFAD has been implementing a results-based divisional and departmental quality control and performance planning, monitoring, and management system, again on the basis of the CMR Framework, which further embedded a culture of results-orientation in the organization's work ethic. This has helped divisions focus on IFAD's core business in enhancing and deepening its development impact for smallholder agriculture and concurrently mitigating the risks of poor performance at all levels. Performance plans have been structured and managed in terms of achievement of IFAD's MTP, enabling performance to be nurtured to a greater and more productive level with continuous feedback to staff and divisions.

Table 3
Results and process matrix for results-based budgeting in IFAD

<i>Cluster</i>	<i>Outcome</i>	<i>Corporate management result</i>	<i>Process</i>
Operational			
1	Effective national policy, harmonization, programming, institutional and investment frameworks for rural poverty reduction	CMR 1 – Better country programme management CMR 2 – Better project design (loans and grants) CMR 3 – Better supervision and implementation support	Country programme development and implementation
2	Supportive global resource mobilization and policy framework for rural poverty reduction	CMR 8 – Better inputs into global policy dialogues for rural poverty reduction CMR 10 – Increased mobilization of resources for rural poverty reduction	High-level policy dialogue, resource mobilization and strategic communication
Institutional support			
3	An effective and efficient management and institutional service platform at headquarters and in-country for achievement of operational results	CMR 4 – Better financial resource management CMR 5 – Better human resource management CMR 6 – Better results and risk management CMR 7 – Better administrative efficiency and an enabling work and information-and-communications technology (ICT) environment	Corporate management, reform and administration
4	IFAD's governing bodies function effectively and efficiently	CMR 9 – Effective and efficient platform for Members' governance of IFAD	Support to Members' governance activities

72. To specify IFAD's progress under CMRs 1-3, which relate to core IFAD operations that directly engage with the smallholder communities in developing countries, IFAD has revised the Results Measurement Framework (RMF) for its programme of work for the MTP period 2010-2012. This approach characterizes IFAD as a learning institution that is "managing for development results" throughout the organization. MTP coordinates its success measures with the RMF cascading structure of indicators, which in turn are aligned with the reporting instruments of the other IFIs.
73. The revised RMF measures field-based performance and links with the CMRs, which in turn focus on IFAD's progress in developing itself as an effective institution. With

adoption of the revised RMF, IFAD has equipped itself with a compact set of decision-making and accountability instruments, providing a sound basis for accounting for the scarce and valued resources entrusted to IFAD – to be turned into development goods and services through the performance-based allocation system (PBAS).

XX. Responding to risk in the MTP period 2010-2012

74. The MTP identifies risks to IFAD's operations at all levels. IFAD manages risk using a Corporate Risk Profile, which identifies corporate risks in all functional areas and establishes accountability for tracking and recording. The Enterprise Risk Management Committee (ERMC) reports on key risk issues, solutions and performance in mitigation on a quarterly basis to Management, and annually to the Audit Committee and the Executive Board. Risk management has been further enhanced by the designation of focal points for risk, with reporting roles in quarterly performance conversations and to the ERMC.
75. With specific attention to financial risks in the MTP period, IFAD is implementing an industry-standard audit attestation for the adequacy of internal controls to financial reporting. The Office of Audit and Oversight (AUO) provides independent and objective assurance and advisory services designed to add value and improve operations. It helps IFAD accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. AUO also reviews and investigates possible or alleged irregular practices, including staff misconduct, fraud and corruption in IFAD activities, and actively promotes ethics, accountability, quality and continuous improvement in IFAD operations.
76. AUO is committed to strengthening organizational effectiveness by directing its efforts to areas in which it can add value by undertaking investigations and oversight functions. Organizational effectiveness entails efficiently managing the IFAD budget, human resources and internal processes, as well as fostering a culture of accountability and integrity in IFAD activities and operations. The pursuit of institutional goals will be the guiding priority for AUO in shaping its annual plan by considering the priorities of Senior Management, the risks outlined through the enterprise risk management efforts, and other relevant factors.
77. IFAD is responding to risks to its staff and facilities in the Business Continuity Road Map and in the Security Strategy, which incorporates IFAD's security and risk assessments for its facilities at headquarters and in ICOs. The road map engages critical personnel under a framework for prudent safeguarding of data and financial assets, safety of its staff, and rapid resumption of its operational workflows in case of disruption.

Draft Medium-term Plan: Logical framework 2010-2012

IFAD STRATEGIC OUTCOMES 2010-2012

Strategic outcomes	Measures of success and sources of verification	Performance projections	Risks and assumptions
<p>Increased incomes and enhanced food security for poor rural women and men</p>	<p>IFAD contributes to:</p> <ul style="list-style-type: none"> • Increasing incomes • Improving food security • Empowering poor rural women and men, i.e. increasing number of rural households moving from subsistence to profitable agriculture production • Reducing levels of ecosystem degradation • Raising number of targeted rural households reporting increased incomes from off-farm activities <p>Verification: World bank and United Nations data; ARRI¹</p>	<p>Guided by the IFAD Strategic Framework 2007-2010, IFAD works with poor rural women and men to develop locally specific opportunities by ensuring that poor rural people have better access to, and the skills and organization they need to take advantage of:</p> <ul style="list-style-type: none"> ▪ Natural resources, especially secure access to land and water, and improved natural resource management and sustainable agriculture practices ▪ Improved agricultural technologies and effective production services to enhance productivity ▪ A broad range of financial services for production and smallholder productivity ▪ Transparent and competitive markets for agricultural inputs and produce to enable integration into national and international value chains ▪ Opportunities for rural off-farm employment and enterprise development that can be profitably exploited ▪ Local and national policy and programming processes for effective participation of poor rural women and men ▪ Improved policy framework and environments for smallholder development at both national and regional levels ▪ Strengthened in-country capacities for agricultural and rural development 	<p>Risks:</p> <ul style="list-style-type: none"> ▪ Global economic crisis continues to affect smallholder agriculture ▪ Input price volatilities (e.g. fuel and food) exacerbate smallholder investment risk ▪ Environmental degradation, including climate change and weather risks, negatively impact smallholder production <p>Assumptions:</p> <ul style="list-style-type: none"> ▪ Adequate aid funding and effective donor coordination – global commitment to Paris Declaration on Aid Effectiveness and Accra Agenda ▪ IFAD replenishment contributions at US\$1.2 bn² to expand programme of work to US\$3 bn for 2010-2012 ▪ Ratio of cofinancing to own resources: 1:1.5. Total volume of cofinancing US\$4.5 bn ▪ Supplementary cofinancing of US\$48.5 mn³

¹ ARRI: Annual Report on Results and Impact of IFAD Operations.
² bn: billion.
³ mn: million.

IFAD OPERATIONAL OUTCOMES 2010-2012

Operational outcomes	Measures of success and sources of verification	Performance projections Country programme and project outputs (Level 3)	Risks and assumptions
<p>1. People receiving services from IFAD-supported projects</p> <ul style="list-style-type: none"> People benefiting from IFAD assistance, with gender focus <p>2. Natural resource management</p> <ul style="list-style-type: none"> Improved access to land and water resources Area impacted by constructed irrigation <p>3. Agricultural technologies</p> <ul style="list-style-type: none"> Increase in use of sustainable agriculture approaches and reduction in land and sea degradation Improved access to agricultural technology, know-how and efficient production services <p>4. Rural financial services</p> <ul style="list-style-type: none"> Improved access to financial services and savings instruments Broad range of financial services and savings instruments <p>5. Marketing</p> <ul style="list-style-type: none"> Improved access to markets: transparent, competitive, functioning and efficient markets for agricultural inputs and produce <p>6. Microenterprise</p> <ul style="list-style-type: none"> Opportunities for rural, off-farm employment and enterprise development Enhanced private-sector capacity and investment in rural economy <p>7. Policies and institutions</p> <ul style="list-style-type: none"> Strengthened organizations and institutions supporting interests of poor rural people Enabling local and national policies Improved capacity for programme development and implementation (government, NGO, private sector) 	<p>1. People receiving services from IFAD-supported projects</p> <p>2007: 29.2 mn 2012: 60 mn Male/female ratio (%) 2007: 57:43 2012: 50:50</p> <p>2. Natural resource management</p> <p>Common-property resource and under improved management practices (ha) 2008: 3.86 mn Tracked Area under constructed/rehabilitated irrigation schemes (ha) 2008: 470,000 Tracked</p> <p>3. Agricultural technologies</p> <p>People trained in crop production practices/technologies 2008: 1.72 mn Tracked Male/female ratio (%) 50:50 People trained in livestock production practices/technologies 2008: 1.07 mn Tracked Male/female ratio (%) 35:65</p> <p>4. Rural financial services</p> <p>Active borrowers 2008: 4.35 mn Tracked Male/female ratio (%) 52:48 Voluntary savers 2008: 5.44 mn Tracked Male/female ratio (%) 51:49</p> <p>5. Marketing</p> <p>Roads constructed/rehabilitated (km) 2008: 15,000 Tracked Marketing groups formed/strengthened 2008: 25,000 Tracked</p> <p>6. Microenterprise</p> <p>People trained in business and entrepreneurship 2008: 162,000 Tracked Male/female ratio (%) 53:47 Enterprises accessing facilitated non-financial services 2008: 19,000 Tracked</p> <p>7. Policies and institutions</p> <p>People trained in community management topics 2008: 672,000 Tracked Male/female ratio (%) 38:62 Village/community action plans prepared 2008: 24,000 IFAD country presence expanded to 40 countries Baseline 2009 (actual): 25 countries</p> <p>Verification: Annual RIDE,⁴ RIMS⁵</p>	<p>Asia and the Pacific Region:</p> <ul style="list-style-type: none"> 7 COSOPs US\$967 mn in loan and grant approvals US\$480 mn disbursement under ongoing portfolio <p>East and Southern Africa Region:</p> <ul style="list-style-type: none"> 2 COSOPs US\$654 mn in loan and grant approvals US\$320 mn disbursement under ongoing portfolio <p>Latin America and the Caribbean Region:</p> <ul style="list-style-type: none"> 2 COSOPs US\$320 mn in loan and grant approvals US\$196 mn disbursement under ongoing portfolio <p>Near East and North Africa Region:</p> <ul style="list-style-type: none"> 2 COSOPs US\$374 mn in loan and grant approvals US\$270 mn disbursement under ongoing portfolio <p>West and Central Africa Region:</p> <ul style="list-style-type: none"> 10 COSOPs US\$595 mn in loan and grant approvals US\$255 mn disbursement under ongoing portfolio <p>Global/regional programmes:</p> <ul style="list-style-type: none"> US\$150 mn in global and regional grant approvals, including small grants <p>Knowledge management and innovation (KMI)</p> <ul style="list-style-type: none"> Integrated KMI agenda – mainstreaming KMI into IFAD's core business <p>Policy dialogue:</p> <ul style="list-style-type: none"> New strategic framework 2011-2015 <i>Rural Poverty Report</i> – IFAD flagship publication Focused IFAD global-, regional- and national-level policy dialogue 	<p>Risks:</p> <ul style="list-style-type: none"> Volatile political situations and absorptive capacity in fragile states Government policies unsupportive of objectives of aid-funded interventions External challenges to IFAD's resource management <p>Assumptions:</p> <ul style="list-style-type: none"> Delivery of US\$4.5 bn IFAD investment (US\$3 bn replenishment resources and US\$1.5 bn extra-budgetary resources) in Member States Improved country programme sustainability Improved financial resource mobilization and management Improved human resource management enterprise risk management mainstreamed Improved administrative efficiency Strengthened support to programme and project implementation

⁴ RIDE: Report on IFAD's Development Effectiveness.

⁵ RIMS: Results and Impact Management System.

IFAD COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME (COSOP) OUTCOMES 2010-2012 – CMR 1⁶

Operational outputs	Measures of success and sources of verification (Level 2)	Performance projections			Risks and assumptions
		2010	2011	2012	
<p>21</p> <p>High-quality in-country strategies designed and implemented, with their relevance regularly assessed</p>	<p>Better country programme and project management, measured by: Percentage of country programmes rated marginally satisfactory or better at completion for:</p> <ul style="list-style-type: none"> ▪ Contribution to increasing incomes, improving food security, and empowering poor rural women and men: <i>From: IFAD Office of Evaluation (ARRI) 2007: 69% 2012: 80%</i> ▪ Percentage of projects rated moderately satisfactory or better at completion by IFAD Office of Evaluation (ARRI) and IFAD Management (PCR⁷) ▪ Effectiveness: ARRI 2008: 82% 2012: 90% PCR 2008: 87% 2012: 90% ▪ <i>Rural Poverty Report:</i> ARRI 2008: 91% 2012: 90% PCR 2008: 83% 2012: 90% ▪ Gender equality (ARRI does not reflect separately on gender equality) PCR 2008-09: 78% 2012: 80% ▪ Innovation, learning and/or scaling up ARRI 2008: 100% 2012: 80% PCR 2008: 71% 2012: 75% ▪ Sustainability of benefits ARRI 2008: 73% 2012: 75% PCR 2008: 75% 2012: 75% ▪ Relevance ARRI 2008: 91% 2012: 90% PCR 2008: 94% 2012: 90% ▪ Efficiency ARRI 2008: 55% 2012: 75% PCR 2008: 65% 2012: 75% ▪ Adherence to aid effectiveness agenda <i>From: Client survey 2008: 96% 2012: 90%</i> <p>Verification: Annual RIDE; RIMS</p>	Asia and the Pacific Region: 7 COSOPs			<p>Risks:</p> <ul style="list-style-type: none"> ▪ Political volatility and elections affect country programme portfolio ▪ Inadequate budget for quality enhancement panels ▪ Insufficient resources (financial and human) to support supervision missions ▪ Shortage in supplementary funds <p>Assumptions:</p> <ul style="list-style-type: none"> ▪ Country ownership and alignment with government priorities ▪ Efficient resource mobilization ▪ Strengthened inter-agency collaboration ▪ IFAD Climate Change Strategy (April 2010) ▪ Environment and natural resource management policy ▪ Private-sector strategy ▪ Middle-income country strategy ▪ Rapid response for post-disaster rehabilitation and reconstruction framework ▪ Partnership strategy ▪ Efficient knowledge management (KM) ▪ PBAS⁸ allocations by country and region ▪ Adequate staffing and administrative budget ▪ Efficient programme approval process, including OSC⁹, QE¹⁰ and QA¹¹
		Lao People's Democratic Republic, India	Bangladesh, China, Central Asia, Pacific	Nepal, Cambodia, Democratic People's Republic of Korea	
		East and Southern Africa Region: 2 COSOPs			
			Mozambique, Uganda		
		Latin America and the Caribbean Region: 2 COSOPs			
		Dominican Republic	Honduras		
		Near East and North Africa Region: 2 COSOPs			
		Azerbaijan		Egypt	
		West and Central Africa Region: 10 COSOPs			
		Nigeria, Sierra Leone, Côte d'Ivoire, Senegal	Benin, Democratic Republic of the Congo, Niger	Burkina Faso, Cameroon, Ghana	

⁶ CMR: corporate management result.

⁷ PCR: project/programme completion report.

⁸ PBAS: performance-based allocation system.

⁹ OSC: Operational Strategy and Policy Guidance Committee.

¹⁰ QE: quality enhancement.

¹¹ QA: quality assurance.

IFAD PROJECT OUTCOMES 2010-2012 – CMR 2

Operational outputs	Measures of success and sources of verification (Level 4)	Performance projections			Risks and assumptions
		2010	2011	2012	
<p>PMD:</p> <p>Design and approval of new, high-quality loan- and grant-funded operations</p>	<p>No. of QE reviews completed (QE Panel reports – see QE xDESK site)</p> <p>Percentage of projects rated 4 or better at entry for:</p> <ul style="list-style-type: none"> Effectiveness <i>From QA at entry:</i> 2008: 100% 2012: 90% Rural poverty impact on the target group (e.g. through physical and financial assets, food security, empowerment) <i>From QA at entry:</i> 2008: 84% 2012: 90% Sustainability of benefits <i>From QA at entry:</i> 2008: 81% 2012: 90% Gender equity: 2008: 90% 2012: 90% Innovation, learning and/or scaling up <i>From QA at entry:</i> 2008: 86% 2012: 90% 	<p>Asia and the Pacific Region: US\$967 mn in loan and grant approvals</p>			<p>Risks:</p> <ul style="list-style-type: none"> Political volatility and elections affect country programme portfolio Delay in ratification due to national approval process Resources from supplementary funds do not materialize as expected Lack of counterpart funding and commitment to address policy constraints <p>Assumptions:</p> <ul style="list-style-type: none"> Revised lending policies and criteria Strengthened administrative efficiency Country presence in 40 countries Sufficient resources for project design and supervision Results-focused dialogue with cofinanciers Timely approval and implementation of cofinancing Correlation of grant proposals with IFAD priorities Appropriate financial products Improved resource mobilization and management of funding arrangements Systematic approach to innovation and scaling up Efficient project approval process, including OSC, QE, and QA
		<p>US\$200 mn: Bangladesh, Papua New Guinea, Viet Nam, Pakistan, Solomon Islands, Timor-Leste, Bhutan, Cambodia, Indonesia, Mongolia, Pakistan, Philippines</p>	<p>US\$400 mn: Afghanistan, India, Nepal, Tajikistan, Bangladesh, China, Kyrgyzstan, Lao People's Democratic Republic, Sri Lanka, Kiribati, Samoa, Tonga</p>	<p>US\$367 mn: China, India, Indonesia, Democratic People's Republic of Korea, Maldives, Myanmar, Philippines</p>	
		<p>East and Southern Africa Region: US\$654 mn in loan and grant approvals</p>			
		<p>US\$268 mn: Burundi, Eritrea, Uganda, Mozambique, Zimbabwe, Botswana, Kenya, Uganda, United Republic of Tanzania, Madagascar</p>	<p>US\$293 mn: Lesotho, South Africa, Eritrea, Zambia, Rwanda, Swaziland, Malawi, Comoros, Ethiopia, Kenya</p>	<p>US\$93 mn: Madagascar, Mozambique, Malawi, Angola, Mauritius, Ethiopia, Seychelles</p>	
		<p>Latin America and the Caribbean Region: US\$320 mn in loan and grant approvals</p>			
		<p>US\$131.7 mn: Dominican Republic, Guatemala, Honduras, Brazil, El Salvador, Nicaragua, Peru, Grenada, Guyana, Suriname</p>	<p>US\$123.9 mn: Bolivia (Plurinational State of), Ecuador, Honduras, Mexico, Panama, Venezuela (Bolivarian Republic of), Haiti, Jamaica, Argentina, Paraguay</p>	<p>US\$64.3 mn: Brazil, Colombia, Cuba</p>	
		<p>Near East and North Africa Region: US\$374 mn in loan and grant approvals</p>			
		<p>US\$124.96 mn: Yemen, Armenia, Sudan, Syrian Arab Republic, Morocco, Yemen, Djibouti, Republic of Moldova</p>	<p>US\$162.2 mn: Azerbaijan, Yemen, Sudan, Georgia, Egypt, Bosnia and Herzegovina, Morocco Fragile situations: Gaza and the West Bank, Iraq</p>	<p>US\$86.80 mn: Lebanon, Turkey, Albania, Tunisia, Egypt</p>	
		<p>West and Central Africa Region: US\$595 mn in loan and grant approvals</p>			
		<p>US\$165.57 mn: Cameroon, Ghana, Guinea, Nigeria, Mali, Togo, Chad, Sierra Leone</p>	<p>US\$204.94 mn: Sao Tome and Principe, Central African Republic, Senegal, Mauritania, Burkina Faso, Côte d'Ivoire, Congo, Niger, Liberia, Guinea</p>	<p>US\$224.86 mn: Nigeria, Gambia, Ghana, Benin, Cape Verde, Democratic Republic of Congo, Guinea-Bissau</p>	
	<p>Verification: Annual RIDE; RIMS</p>				

IFAD PROJECT OUTCOMES 2010-2012 – CMR 2 (cont'd)

Operational outputs	Measures of success and sources of verification (Level 4)	Performance projections			Risks and assumptions
		2010	2011	2012	
		Global and regional grant-funded programmes			
<p>PMD:</p> <p>Design and approval of new, high-quality global and regional grant-funded operations</p>	<p>Better grant project design measured by:</p> <ul style="list-style-type: none"> No. of financing agreements entered into with CGIAR¹² centres No. of financing agreements entered into with FFR¹³ grant recipients No. of global and regional grants approved <p>Better implementation support for large global/regional grants:</p> <ul style="list-style-type: none"> Percentage of projects rated 4 or better for overall implementation progress No. of technical reviews of large grants (Grants QE minutes – see Grant Secretariat xDESK site) <p>No. of technical reviews of small grants including supplementary funds (grants consolidated tracking sheet – see Grant Secretariat xDESK site)</p>	<p>Large global and regional commitments for US\$32 mn:</p> <ul style="list-style-type: none"> Sustainable agriculture Land and water Farmers' organizations, market access and policy Rural financial systems Smallholder farming as business Targeting, indigenous peoples, youth and women's empowerment 3 regional grants under IPAF¹⁶ Knowledge management <p>Small global and regional grants for US\$8 mn</p> <p>Supplementary-funded grants:</p> <ul style="list-style-type: none"> 23 grants under EC¹⁷/CGIAR facility US\$67.5 mn 15 grants under FFR 	<p>Large global and regional commitments for US\$40 mn:</p> <ul style="list-style-type: none"> Sustainable agriculture Land and water Farmers' organizations, market access and policy Rural financial systems Smallholder farming as business Targeting, indigenous peoples, youth and women's empowerment Knowledge-sharing Regional organization Knowledge management <p>Small global and regional grants for US\$10 mn</p> <p>Supplementary-funded grants:</p> <ul style="list-style-type: none"> 30 grants under EC/CGIAR facility US\$90 mn 15 grants under FFR 	<p>Large global and regional commitments for US\$48 mn:</p> <ul style="list-style-type: none"> Sustainable agriculture Land and water Farmers' organizations, market access and policy Rural financial systems Smallholder farming as business Targeting, indigenous peoples, youth and women's empowerment 3 regional grants under IPAF Knowledge management <p>Small global and regional grants for US\$12 mn</p> <p>Supplementary-funded grants:</p> <ul style="list-style-type: none"> 30 grants under EC/CGIAR facility US\$90 mn 15 grants under FFR 	<p>Risks:</p> <ul style="list-style-type: none"> Recipients do not propose grants that confirm to IFAD policies/strategies Resources from supplementary funds do not materialize as expected Delays in issuing small grant agreements due to lack of familiarity with the process <p>Assumptions:</p> <ul style="list-style-type: none"> Grant proposals sufficiently match IFAD's priorities in grant financing Revised grant guidelines
<p>Design and approval of new, high-quality small grant-funded operations</p>					

¹² CGIAR: Consultative Group on International Agricultural Research.

¹³ FFR: Financing Facility for Remittances.

¹⁴ LGS: Loan and Grant System.

¹⁵ PTA: Policy and Technical Advisory Division.

¹⁶ IPAF: Indigenous Peoples Assistance Facility.

¹⁷ EC: European Commission.

IFAD PROJECT IMPLEMENTATION OUTCOMES 2010-2012 – CMR 3

Operational outputs	Measures of success and sources of verification (Level 4)	Performance projections			Risks and assumptions
		2010	2011	2012	
PMD: On going portfolio of loan- and grant-funded projects efficiently supervised and effective and sustainable development results delivered	<ul style="list-style-type: none"> Percentage of ongoing projects actually receiving international cofinancing <i>From PPMS¹⁸ June 2009</i> 2008: 61% 2012: 65% Average time (months) from project approval to first disbursement <i>From PPMS June 2009</i> 2008: 20 2012: 14 Percentage of problem projects in which major corrective actions are taken (proactivity index) <i>From divisional PPR¹⁹ 2008</i> 2008: 60% 2012: 75% Percentage of projects for which IFAD performance is rated 4 or better <i>From ARRI 2009</i> 2008: 64% 2012: 75% Percentage of problem projects in ongoing portfolio <i>From PPMS June 2009</i> 2008: 19% 2012: 15% Percentage of time overruns for ongoing projects <i>PPMS 2009</i> 2008: 22% 2012: 20% Average days for processing withdrawal applications <i>WATS²⁰ 1 July 2009-30 June 2010</i> (1st completed year of WATS operation) 2008: 43 days 2012: 31 days <p>Verification: Annual RIDE; RIMS</p>	Asia and the Pacific Region			Risks: <ul style="list-style-type: none"> Poor implementation of country systems and project fiduciary controls Assumptions: <ul style="list-style-type: none"> Revised procurement guidelines Revised procurement audit guidelines Direct supervision procedures Efficient loan administration New loan and grant system and manuals Efficient IT support Effective rules, procedures and documentation requirements Timely establishment of field presence, including human resources and information technology support Recruitment for vacancies, especially in IFAD Country offices to enhance portfolio performance and direct supervision by ICO²¹ staff Strengthened project management Streamlined transaction/document clearance processes Strengthened project design processes Strengthened operational policies and guidelines
		US\$150 mn disbursed	US\$160 mn disbursed	US\$170 mn disbursed	
		East and Southern Africa Region			
		US\$100 mn disbursed	US\$105 mn disbursed	US\$115 mn disbursed	
		Latin America and the Caribbean Region			
		US\$60 mn disbursed	US\$66 mn disbursed	US\$70 mn disbursed	
		Near East and North Africa Region			
		US\$90 mn disbursed	US\$90 mn disbursed	US\$90 mn disbursed	
		West and Central Africa Region			
		US\$70 mn disbursed	US\$85 mn disbursed	US\$100 mn disbursed	
Global and regional grant-funded programmes					
US\$35 mn disbursed	US\$40 mn disbursed	US\$46 mn disbursed			

¹⁸ PPMS: Project Portfolio Management System.

¹⁹ PPR: Portfolio Performance Report.

²⁰ WATS: Withdrawal Application Tracking System.

²¹ ICO: IFAD country office.

IFAD PROJECT DESIGN AND IMPLEMENTATION OUTCOMES 2010-2012 – CMR 3

Operational outputs	Measures of success and sources of verification (Level 4)	Performance projections			Risks and assumptions
		2010	2011	2012	
<p>Project design and implementation</p> <p>PMD Office of the President and Vice-President (OPV):</p> <ul style="list-style-type: none"> Improved country programme sustainability Strengthened support to programme and project implementation 	<p>Approved policy and strategy documents</p> <p>Verification: Annual RIDE</p>	<ul style="list-style-type: none"> Procurement guidelines Middle-income country strategy Grant procedures Review COSOP guidelines Strengthened project design processes New direct supervision procedures Country presence strategy Toolbox/procedures for grants, indigenous peoples, land, rural finance, scaling up, PRS²² and SWAp²³ programmes Consolidated loan and grant project design 	<ul style="list-style-type: none"> Private-sector strategy Gender strategy No. of new/revised knowledge tools for improved project design Partnership strategy Ongoing review of PBAS 		
<p>Environment and climate change</p> <p>PMD Environment and Climate Division (ECD) Finance and Administration Department (FAD):</p> <ul style="list-style-type: none"> Environmental and climate change issues mainstreamed 	<ul style="list-style-type: none"> No. of new COSOPs and project documents reflecting climate and environment risks and opportunities Percentage increase in no. of projects rated 4 or more on environment in project completion reports for 2013-2014 cohort (baseline: 77% in 2008-2009 cohort 2-year average) Average rating on natural resource intervention. (ARRI and PCR treat environment and national resource management as part of one impact domain) No. of projects with satisfactory ratings under ARRI (ARRI 2008 annual: 27%, 3-year moving average: 55%) No. of QE Panel reports highlighting climate change concerns, QE Panel summary assessments record ratings on climate change issues GEF²⁴ funds increased Green building certificate and yearly calculation of carbon imprint for IFAD headquarters Monitoring IFAD headquarters' energy consumption and carbon emissions GEF5 replenishment meeting held at IFAD No. of substantive contributions made by IFAD to international fora (GEF Assembly, COPs,²⁵ G DPRD,²⁶ UN/IFI meetings) <p>Verification: Annual RIDE</p>	<ul style="list-style-type: none"> IFAD Climate Change Strategy ECD established Climate negotiations engagement KM: CLIMTRAIN screening tool, internal network established Adaptation Fund accreditation secured GEF: Business plans agreed, 4 concept notes approved, 8 grants endorsed, 10 grants supervised 5 strategic environment assessments 25 environmental social review notes 8 IFAD grants secured 	<ul style="list-style-type: none"> IFAD environment and natural resource management strategy Continued policy advocacy Implementation of at least one measure to reduce carbon emissions 1 Adaptation Fund pilot project developed GEF: 7 GEF concept notes approved; 10 grants endorsed, 14 grants supervised 5 strategic environment assessments 25 environmental social review notes 3 grants secured 	<ul style="list-style-type: none"> GEF: 4 concept notes approved, 3 grants endorsed, 25 grants supervised 5 strategic environment assessments 25 environmental social review notes 	<p>Risks:</p> <ul style="list-style-type: none"> Inadequate resources for environment and climate change work Failure to agree on streamlined project cycle reforms to GEF Availability and quality of consultants for programme and project design assignments, especially in fragile countries <p>Assumptions:</p> <ul style="list-style-type: none"> Continued contribution to the global concern for protection of the environment Supplementary funding for integration of climate and environment risks and opportunities in portfolio

²² PRS: poverty reduction strategy.

²³ SWAp: sector-wide approach.

²⁴ GEF: Global Environment Facility.

²⁵ COP: Conference of the Parties (United Nations Framework Convention on Climate Change (UNFCCC))

²⁶ G DPRD: Global Donor Platform for Rural Development.

IFAD KNOWLEDGE MANAGEMENT, POLICY ADVOCACY AND COMMUNICATION OUTCOMES 2010-2012 – CMR 8

Operational outputs	Measures of success and sources of verification (Level 5)	Performance projections			Risks and assumptions
		2010	2011	2012	
<p>Office of the Chief Development Strategist (CDS) North American Liaison Office (NAL) OPV PMD:</p> <ul style="list-style-type: none"> International policy environment favourable to the interests of poor rural people National policy and programming for effective participation of poor rural people Improved national policy framework for smallholder development Strengthened in-country capacities for agricultural and rural development 	<ul style="list-style-type: none"> 2010: Identification of two institutional issue priorities for international policy engagement in 2011 2010: Baseline self-assessment of IFAD's institutional capacity for international policy engagement 2011 and 2012: Score of moderately satisfactory or better on performance assessment scale for two international policy engagement initiatives 2012: Strengthened institutional capacity for international policy engagement in at least two lagging areas identified by 2010 baseline self-assessment <p>Verification: Annual RIDE</p>	<ul style="list-style-type: none"> Strategic Framework 2011-2015 Framework for rapid response for post-disaster rehabilitation and reconstruction Global agriculture and development dialogue IFAD conference on smallholder farming as a business Corporate approach and capacity for international policy engagement Attention to concerns of smallholder farmers in MDG Summit outcome document 15 technical advisory notes Office of CDS created Indigenous people's meeting linked to GC Best deal for smallholders – Cancun, meeting of the UN Framework Convention on Climate Change, Agriculture and Rural Development 	<ul style="list-style-type: none"> International policy engagement strategies on two priority issues 15 technical advisory notes Best deal for smallholders – Cape Town, United Nations Framework Convention on Climate Change meeting Environment, natural resource management policy approved by the Executive Board Global agriculture and development dialogue Thematic paper series 	<ul style="list-style-type: none"> Farmers' Forum organized (every two years) Development, implementation, monitoring and evaluation of international policy engagement: strategies on two additional priority issues 15 technical advisory notes Guidance notes reviewed and refined Global agriculture and development dialogue Thematic paper series <p>Risks:</p> <ul style="list-style-type: none"> Wavering international commitment to agricultural development among competing global concerns Uncertain country-level commitment to change and reform Incoherency among donors regarding policy advocacy <p>Assumptions:</p> <ul style="list-style-type: none"> Development of IFAD's emerging vision: agriculture as a business Improved knowledge management provides key support for effective international policy engagement 	
<p>CDS Communications Division (COM) PMD FAD NAL:</p> <p>Integrated KMI agenda – mainstreaming KMI into IFAD's core business</p>	<ul style="list-style-type: none"> Improved environment and culture for knowledge management and innovation. Active level of participation by staff Successful evaluation by CPM²⁷ of the CPM forum Improved communication abilities and skills noted in Performance Evaluation System No. of thematic consultations and seminars <p>Verification: IFAD reports and website</p>	<ul style="list-style-type: none"> Development research digest Corporate innovation agenda RPR²⁸ Corporate publications approach IFAD working paper series started QE reviews shared Awareness of IFAD's work at country, regional and corporate levels increased CPM forum initiated Thematic, regional networks integrated into corporate knowledge management Learning tools for knowledge management and innovation established Knowledge management and web 2.0 methods and tools mainstreamed. IFAD Intranet accessible to ICOs CLIMTRAIN training package 	<ul style="list-style-type: none"> Outcomes of learning events disseminated at country level Innovative grant initiatives documented Partnership opportunities increased Headquarters/field reporting and communication improved CPM forum held Guidance note – scaling-up initiative Thematic consultations, seminars organized CDS statistics unit established 	<ul style="list-style-type: none"> RPR CPM forum held KMI fully mainstreamed into IFAD's operations (corporate and regional) levels <p>Assumptions:</p> <ul style="list-style-type: none"> Clear knowledge management and innovation agenda communicated to staff Staff embrace cultural change Thematic networks focused with clear outputs and budgets Disclosure policy approved and implemented 	

²⁷ CPM: Country programme manager.

²⁸ RPR: *Rural Poverty Report*.

IFAD KNOWLEDGE MANAGEMENT, POLICY ADVOCACY AND COMMUNICATION OUTCOMES 2010-2012 – CMR 8 (cont'd)

Operational outputs	Measures of success and sources of verification (Level 5)	Performance projections			Risks and assumptions
		2010	2011	2012	
COM Office of the General Counsel (LEG)	<ul style="list-style-type: none"> ▪ Increased capacity among key IFAD staff (including in ICOs) to communicate IFAD's message (number of staff receiving communication training each year) <p>Verification: IFAD reports and website</p>	<ul style="list-style-type: none"> ▪ Communication strategy ▪ Communication toolkit and guidelines to ICOs ▪ <i>Annual Report</i> ▪ <i>RPR</i> launch ▪ Focus on 10 priority countries selected by PMD ▪ Occasional Paper series ▪ Replenishment efforts advanced by strategic communications ▪ IFAD staff informed on human resource (HR) reform issues through internal communications ▪ IFAD's image boosted by communication training of IFAD staff ▪ New disclosure policy 	<ul style="list-style-type: none"> ▪ <i>Annual Report</i> ▪ <i>RPR</i> regional launches ▪ Communication toolkit and guidelines to new ICOs ▪ Focus on 10 priority countries selected by PMD ▪ Occasional Paper series ▪ Replenishment efforts advanced by strategic communications ▪ IFAD staff informed on HR reform issues through internal communications ▪ Training on new disclosure policy 	<ul style="list-style-type: none"> ▪ <i>Annual Report</i> ▪ <i>RPR</i> launch ▪ Communication toolkit and guidelines to new ICOs ▪ Focus on 10 priority countries selected by PMD ▪ Occasional Paper series 	<p>Risks:</p> <ul style="list-style-type: none"> ▪ Risks to reputation with expanding country presence ▪ Slow response capacity to address emerging external issues <p>Assumptions:</p> <ul style="list-style-type: none"> ▪ Adequate staffing and administrative budget ▪ Communication embedded in PMD programmes ▪ IFAD staff at headquarters and in the field have the tools to communicate effectively ▪ Corporate harmonization of country office and thematic websites ▪ Corporate technical publication standards

IFAD RESOURCE MOBILIZATION OUTCOMES 2010-2012 – CMR 10

Operational outputs	Measures of success and sources of verification	Performance projections (Level 5)			Risks and assumptions
		2010	2011	2012	
<p>Arab Gulf Liaison Office (AGL)</p> <p>FAD</p> <p>LEG</p> <p>OPV</p> <p>PMD:</p> <p>Improved resource mobilization and management</p> <ul style="list-style-type: none"> IFAD replenishment contributions at US\$1.2 bn to expand PoW²⁹ at US\$3 bn 	<ul style="list-style-type: none"> Pledges and paid-in contributions received for a total of US\$1.2 bn Fill current ACA³⁰ projected gap in year 2012 in order to maintain same level of PoW Remaining pledges to IFAD-8 announced Demonstrated increased support to IFAD by the Arab Gulf States. Additional resources to PoW, including through cofinancing: tracked Additional resources from foundations: tracked <p>Verification: IFAD9 report; annual financial statements; annual audits</p>	<p>US\$800 mn loans and grants plus US\$185 mn in MDRI³¹ costs and administrative budget:</p> <ul style="list-style-type: none"> US\$296 mn in paid contributions US\$408 mn in internal resources³² Approved ACA 7-year ceiling absorbing gap between resource requirements and resources available New resource mobilization strategy IFAD8 mid-term review Establishing AGL Liaise with Gulf States on pledges to IFAD8 Lay foundations for participation in IFAD8 and IFAD9 Additional resources for PoW through cofinancing Additional resources from foundations 	<p>US\$1 bn in loans and grants plus US\$190 mn in MDRI costs and administrative budget:</p> <ul style="list-style-type: none"> US\$230 mn in paid contributions US\$414 mn in internal resources Approved ACA 7-year ceiling absorbing gap between resource requirements and resources available Partnership strategy Successful IFAD9 negotiations Gulf region participates in IFAD9 Pledges for IFAD9 Additional resources for PoW through cofinancing Additional resources from foundations IFAD9 Consultation resolution 	<p>US\$1.2 bn in loans and grants plus US\$190 mn in MDRI costs and administrative budget:</p> <ul style="list-style-type: none"> US\$156 mn in paid contributions US\$421 mn in internal resources Resource gap of US\$90 mn above ACA 7-year ceiling US\$720 mn in ACA IFAD9 pledges concluded Contribute to achieving IFAD9 target Relocation of AGL to Gulf region Secure additional resources for PoW including through cofinancing Additional resources from foundations IFAD9 resolution Legal review of IFAD9 instruments of contribution 	<p>Risks:</p> <ul style="list-style-type: none"> Economic conditions impact financial resource projections Partners' willingness to partner and political will Absence of strategic communications on resource mobilization exposes IFAD to risks to its reputation <p>Assumptions:</p> <ul style="list-style-type: none"> Full mobilization of replenishment resources for commitment authority Revised investment policy Revised liquidity policy Champions identified for IFAD9 Country engagement strengthened
<p>Supplementary funds</p> <ul style="list-style-type: none"> Supplementary cofinancing at US\$48.5 mn received <p>Cofinancing</p> <ul style="list-style-type: none"> Ratio of cofinancing to own resources: 1.5 times. Total volume of cofinancing US\$4.5 bn 	<ul style="list-style-type: none"> Increased mobilization of financial resources for rural poverty <p>Verification: Executive Board reports; <i>Annual Report</i></p>	<ul style="list-style-type: none"> Supplementary funds: US\$21 mn GEF supplementary funds: US\$14 mn Foundations: US\$5-10 mn Cofinancing: US\$1.2 bn 	<ul style="list-style-type: none"> Supplementary funds: US\$22 mn GEF supplementary funds: US\$28 mn Foundations: US\$10-15 mn Cofinancing: US\$1.5 bn 	<ul style="list-style-type: none"> Supplementary funds: US\$22 mn GEF supplementary funds: US\$21 mn Foundations: US\$15-20 mn Cofinancing: US\$1.8 bn 	<p>Risks:</p> <ul style="list-style-type: none"> GEF secretariat delays approval of IFAD-developed GEF projects. <p>Assumptions:</p> <ul style="list-style-type: none"> Expanded cofinancing strategy and new financial instruments Cofinancing supported by corresponding risk and financial management capabilities Industry standard management assertion on internal controls of reporting implemented in 2012 At least 25% increase in GEF-5 Trust Fund cofinancing of IFAD operations over next GEF replenishment period 2010-2014 At least 40% increase in combined LDCF³³ and SCCF³⁴ cofinancing of IFAD operations over next GEF replenishment period 2010-2014

²⁹ PoW: programme of work

³⁰ ACA: advance commitment authority.

³¹ MDRI: Multilateral Debt Relief Initiative.

³² Including investment income, loan reflows and cancellations.

³³ LDCF: Least Developed Countries Fund.

³⁴ SCCF: Special Climate Change Fund.

IFAD STRATEGIC PLANNING AND BUDGETING, AND HUMAN RESOURCE MANAGEMENT OUTCOMES 2010-2012 – CMR 5

Operational outputs	Measures of success and sources of verification	Performance projections (Level 5)			Risks and assumptions
		2010	2011	2012	
<p>Strategic planning and budgeting</p> <p>Strategic Planning and Budget Division (SPB)</p> <p>OPV:</p> <ul style="list-style-type: none"> 3-year rolling administrative plan and integrated budget prepared using zero-based and results-based budgeting approach Administrative and capital budgets aligned with operational targets Performance reporting on results 	<ul style="list-style-type: none"> Increased overall efficiency at 13.5% (budget to programme of work) – RMF³⁵ 5.9 Percentage increase of the budget allocated to expenditures in direct support of programme design and implementation Administrative processes are benchmarked, measured and managed for increased efficiency Key findings of performance reviews are integrated into management decisions and planning Increased automation of administration and liberation of resources for value-addition 	<ul style="list-style-type: none"> MTP for 2010-2012 Approved zero-based budget, estimate of supplementary funds Quarterly and annual performance reviews Strategic workforce plan (SWP) 	<ul style="list-style-type: none"> First zero-based budget with needs-based analysis of requirements to reach RMF targets Quarterly and annual performance reviews Pilot programme for planning and monitoring improved administrative efficiency 	<ul style="list-style-type: none"> Second zero-based budget developed on a rolling budget basis within new strategic framework Capital budget focuses on efficiency and effectiveness in key business processes Cross-IFAD system for planning and monitoring improved efficiency integrated into IFAD's results management system 	<p>Assumptions:</p> <ul style="list-style-type: none"> Functioning mitigation-oriented risk management Operational and administrative budgets are revised to take into account new and emerging business models and changes in the external environment Business processes are reviewed from perspective of value-added and right location
<p>Human resource reform</p> <p>Human Resources Division (HRD)</p> <p>OPV</p> <p>LEG:</p> <ul style="list-style-type: none"> Improved human resource management Strategic workforce plan to establish HRD management objectives: staffing levels, skills mix, career structures, in alignment with corporate results 	<ul style="list-style-type: none"> Percentage of staff who have attended at least one in-house training course (year-to-date) Average time to fill professional vacancies (100 days) – baseline year 2009, value 119 days No. of recruitments concluded (25) Progress in revamping performance management process (100%) VSP-2³⁶ defined and completed in 2010 No. of in-house corporate training courses organized (15) No. of IFAD contracts issued to country/national staff (15) Staff engagement index: 75% (baseline year 2008, value 68.4%, target 2012 75%) Percentage of progress in implementation of automation of some existing manual processes <p>Verification: HRD management plans for 2010</p>	<ul style="list-style-type: none"> Reconfigure HRD Recruit 30 headquarters and 30 ICO staff Revise staff rules Finalize job families Standardize job classifications Revise performance management system Implement revised HR³⁷ procedures: promotions, VSP-2, rotations, redeployment, anti-harassment and contract types Review staff benefits Automate HR processes Litigation on staff issues (three cases) 	<ul style="list-style-type: none"> Provide HR services to 622 headquarters and 33 ICO staff Establish an ethics office Implement medium-term SWP Staff development strategy Finalize new HR procedures manual Implement capital projects in HR reform Training on new staff rules Litigation on staff issues (three cases) 	<ul style="list-style-type: none"> Develop and design a learning management system Continue implementation of medium-term SWP Litigation on staff issues (three cases) 	<p>Risks:</p> <ul style="list-style-type: none"> Voluntary VSP-2 does not generate expected results Lack of capacity in recruitment could result in delays of IFAD's PoW. Lack of automation of HR processes leads to financial and reputation risks. <p>Assumptions:</p> <ul style="list-style-type: none"> Effective strategic workforce planning, recruitment and management, including performance management Lack of service and host country agreements for ICOs Country presence strategy Staff rules and benefits attract qualified candidates

³⁵ RMF: Results Measurement Framework.

³⁶ VSP-2: Voluntary Separation Programme – Phase 2.

³⁷ HR: human resources

IFAD FINANCIAL MANAGEMENT OUTCOMES 2010-2012 – CMR 4

Operational outputs	Measures of success and sources of verification	Performance projections (Level 5)			Risks and assumptions
		2010	2011	2012	
<p>FAD OPV SPB LEG:</p> <ul style="list-style-type: none"> Robust financial management of regular and extra-budgetary funds. 	<ul style="list-style-type: none"> Unqualified audit opinion on all public financial statements issued by IFAD (IFAD and hosted entities) Unqualified audit attestation on management assertion on the effectiveness of controls over financial reporting (2012) Error-free processing of receipt and payment transactions (approximately 4,000 in 2010, 4,500 in 2011, 5,000 in 2012) Timely processing of receipt and payment transactions (to less than 3 days average processing time by 2012) Business case of PeopleSoft Functional Upgrade by early 2011 – implementation by end 2011. Introduction of improved lending terms (2010) and new financial products (2011, 2012) Timely and effective debt servicing and pro-active loan and grant closure actions Streamlined disbursement processing model based on matrix reporting (2010 pilots launched, 2011 fully operational) Principal on investments is protected, liquidity is ensured, and rate of return is matched with benchmarks <p>Verification: IFAD financial model; Executive Board documents; FISCO³⁸ and FALCO³⁹ documents; <i>Annual Report</i></p>	<ul style="list-style-type: none"> Adequate financial control and reliable reporting Value adding processing of financial transactions Efficient and effective loan administration of portfolio Appropriate management of cash resources and investments, including proactive asset and liability management Liquidity policy Investment policy Financial accountability framework Medium-term financial projections Accounting for single-currency lending (including currency management), new loans of IFAD External review of financial operations Strengthened financial risk management Revised Lending Policies and Criteria Adequate legal framework for investment of IFAD resources 	<ul style="list-style-type: none"> Review of ACA policy Decentralization of financial management to ICOs PeopleSoft financial platform upgraded Comprehensive medium-term corporate financial resource management strategy Support to new lending term strategy/policy Management's assertion on internal controls over financial reporting Revised lending policies and criteria Revision of financial regulations Revised Agreement Establishing IFAD (single currency loans) 	<ul style="list-style-type: none"> Industry standard management assertion on internal controls over financial reporting Revised IFAD financial modelling to support IFAD9 consultation and resource mobilization strategies Support to new MICS⁴⁰ strategy 	<p>Risks:</p> <ul style="list-style-type: none"> Adverse market conditions hinder possibility of positive return on investments Operating risk in internal management due to lack of staff Complex design and development requirements for new projects Significant control weaknesses that may be identified during testing of controls <p>Assumptions:</p> <ul style="list-style-type: none"> Improved resource mobilization and financial management <ul style="list-style-type: none"> Corporate support to improved financial mobilization and management Coordinated and efficient revision of corporate financial approach/structure A more systematic, streamlined approach to financial risk management More emphasis on quality of results Improved human resource management <ul style="list-style-type: none"> Adequate staff and financial resources Strengthened current staff competencies Alignment of software and system to shareholders' demand for quality service Improved risk management <ul style="list-style-type: none"> Increased awareness and adoption by management and staff of enterprise risk management principles and practices in their daily tasks Continuous mainstreaming of enterprise risk management, including an effective communications system Improved administrative efficiency <ul style="list-style-type: none"> Streamlining and increased efficiency of FALCO/FISCO activities Strengthened operational tools Adoption of direct supervision and new supervision procedures New loan and grant system operational by end of 2011, including accessibility to borrowers

³⁸ FISCO: Investment and Finance Advisory Committee.

³⁹ FALCO: Investment, Finance and Asset Liability Management Advisory Committee.

⁴⁰ MICS: Medical Insurance for Consultants and Short-term Staff.

IFAD ADMINISTRATIVE, AND INFORMATION AND COMMUNICATIONS TECHNOLOGY OUTCOMES 2010-2012 – CMR 7

Operational outputs	Measures of success and sources of verification	Performance projections (Level 5)			Risks and assumptions
		2010	2011	2012	
<p>FAD: Administrative Services Division (ADM)</p> <p>LEG:</p> <p>Improved administrative efficiency</p>	<p>Efficiency gains and cost reductions</p> <ul style="list-style-type: none"> Percentage of systems downtime No. of people moved into new offices No. of client requests addressed Leadership in Energy and Environmental Design (LEED) certification, reduced quantity of paper usage and increased compensation for recycling practices <p>Verification: Client survey; quality control reports; administrative procedures and manuals; statistics extracted from Footprint systems</p>	<ul style="list-style-type: none"> Revised ADM manual Headquarters procurement guidelines revised Common procurement team pilot project for the Rome-based agencies Security risk assessment Headquarters security strategy Reinforced headquarters external perimeter for security risks (badge readers phase I) 50 women staff security trained Greening of building Timely and efficient processing of visa and related privileges and immunities of staff Logistics and facilities management Electronic records management Arbitration on IFAD headquarters 	<ul style="list-style-type: none"> Implementation of headquarters security strategy Badge readers phase 2 Enhancement of external parking Meeting rooms fully refurbished and decorated Introduction of corporate cards for petrol purchases by staff Greening of building Timely and efficient processing of visa and related privileges and immunities of staff Logistics and facilities management Records management 	<ul style="list-style-type: none"> Implementation of headquarters security strategy Greening of building and other business processes Timely and efficient processing of visa and related privileges and immunities of staff Logistics and facilities management both for office needs and for conferences and meetings; Records management 	<p>Risks:</p> <ul style="list-style-type: none"> Shifting implementation priorities Inadequate stakeholder participation Inadequate financial and staff resources <p>Assumptions:</p> <ul style="list-style-type: none"> Approval of proposed strategic workforce plan Approval of adequate ADM administrative budget Approval of adequate ADM capital budget Appropriate legal framework for administration
<p>FAD: Information and Communications Technology Division (ICT)</p> <ul style="list-style-type: none"> Uninterrupted and improved IT systems and services Large and small IT projects implemented Secure and reliable computing environment for headquarters and ICOs 	<ul style="list-style-type: none"> ICT client satisfaction surveys Application systems uptime (>99%) Infrastructure systems uptime (>99%) Corporate systems accessible from ICOs (>90%) Capital budget projects delivered on schedule (>75%) Additional financial and staffing resources made available for large and small projects <p>Verification: ICT strategy; ICT applications portfolio; ITGC⁴¹ quarterly status reports</p>	<ul style="list-style-type: none"> Interactive web-based platform for Member State representatives Upgrade of PeopleSoft financial platform Document production management tool Dashboards for workforce analysis OPTICS⁴² for OPV correspondence ICT for regional knowledge networks New ICT strategy and corporate ICT initiatives 	<ul style="list-style-type: none"> IT infrastructure for new loan and grant system (LGS) installed PeopleSoft financial and HR platforms enhanced and migrated to UNICC⁴³ Web content management system for Intranet/Internet ICT communication and collaboration platforms upgraded for ICOs New ICT platform for corporate relationship management Grants/milestone management tool ICT support for regional knowledge networks 	<ul style="list-style-type: none"> Corporate web portal deployed Oracle Fusion tools for HR management PPMS replaced with online tools CIAO⁴⁴ replaced with online tools PeopleSoft financial platform upgraded and integrated with loan and grant operations Electronic workflow and full self-service platform – corporate dashboards fully implemented Digital signature implemented 	<p>Risks:</p> <ul style="list-style-type: none"> Shifting implementation priorities Inadequate stakeholder participation, particularly by business owners Ambitious big-bang implementation New, significant developments in technology <p>Assumptions:</p> <ul style="list-style-type: none"> Approval of strategic workforce plan Approval of adequate ICT administrative budget Approval of adequate ICT capital budget Compliance with DSS⁴⁵ prescribed security policies and criteria Timely approval of projects by local and national governments and collaboration of community Willingness of host government to continue supporting IFAD's operations, notwithstanding own fiscal constraints Ownership and appreciation of initiatives by Senior Management and relevant staff

⁴¹ ITCG: Information Technology Governance Committee.
⁴² OPTICS: OPV Tracking Incoming Correspondence System.
⁴³ UNICC: United Nations International Computing Centre.
⁴⁴ CIAO: Contact Information Available On-line System.
⁴⁵ DSS: United Nations Department of Safety and Security.

IFAD ENTERPRISE RISK MANAGEMENT, BUSINESS CONTINUITY AND GOVERNANCE OUTCOMES 2010-2012 – CMRs 6 AND 9

Operational outputs	Measures of success and sources of verification	Performance projections (Level 5)			Risks and assumptions
		2010	2011	2012	
<p>Enterprise risk management (ERM) and mitigation</p> <p>Office of Audit and Oversight (AUO) OPV:</p> <ul style="list-style-type: none"> Improved enterprise risk management mainstreamed 	<ul style="list-style-type: none"> Percentage of high-priority internal audit recommendations overdue Key corporate, departmental and divisional objectives/risks monitored and mitigated <p>Verification: AUO audit reports; AUO annual report; annual ERM report; quarterly conversations on performance and results</p>	<ul style="list-style-type: none"> Annual rolling 3-year MTP Annual ERM reports Implementation of audit recommendations RIDE Consultant performance management systematized 	<ul style="list-style-type: none"> Annual rolling 3-year MTP Annual ERM reports RIDE 	<ul style="list-style-type: none"> Annual rolling 3-year MTP Annual ERM reports RIDE 	<p>Risks:</p> <ul style="list-style-type: none"> Lack of management action on mitigating strategies Corporate risks not prioritized, leading to inconsistent mitigating strategies <p>Assumptions:</p> <ul style="list-style-type: none"> AUO risk-based annual workplan focuses on areas of key risks for the organization Management practices risk management in daily activities Executive Board and its committees assign high value to risk management strategies
<p>Business continuity (BC)</p> <p>AUO FAD OPV</p>	<ul style="list-style-type: none"> Approved policy with governance structure, including nomination of BC manager and establishment of crisis management and response teams Approved business impact analysis Template for emergency and BC plans for functional emergencies Crisis teams trained and staff aware of their roles under BC plans Functional strategies and plans tested, completed and put in place in critical areas: ICT, cash management, facilities, travel, and security AUO to follow up on high-priority recommendations <p>Verification: IFAD business continuity plan; ERMC⁴⁶ reports; security risk assessment reports</p>	<ul style="list-style-type: none"> Roadmap for enhanced BC IFAD BC policy and plan BC governance structure BC impact analysis Recovery plans for critical functional areas Staff tracking system BC testing of critical functions Security assessments through DSS peer process ICT infrastructure availability in headquarters and ICOs Offsite hosting of recovery equipment and system 	<ul style="list-style-type: none"> Regular testing of BC plans Additional preventive measures for critical functional areas Alternative SWIFT network and access point Data backup tapes upgraded to online storage management ICT infrastructure availability in headquarters and ICOs UNICC fully set up as IFAD's disaster recovery point 	<ul style="list-style-type: none"> BC plans in place and regular testing of all BC plans Updated BC impact analysis Corporate IT systems hosted at UNICC, with built-in disaster recovery agreements Secure restore of C:/ drive backup images through the Internet ICT infrastructure availability at headquarters and ICOs 	<p>Risks:</p> <ul style="list-style-type: none"> Insufficient funding for BC plan initiatives <p>Assumptions:</p> <ul style="list-style-type: none"> Senior Management ownership and commitment Badge reader installation aligned with European safety standards and agreed with landlord Awareness and commitment to PC plan
<p>Legal compliance of policies, programmes and projects</p> <p>LEG:</p> <ul style="list-style-type: none"> Appropriate legal framework for IFAD policies and programmes 	<p>No. of loan agreements and other project-related legal documents drafted and negotiated (including grants)</p> <p>No. of host country agreements</p>	<ul style="list-style-type: none"> 52 loan and grant agreements 42 global and regional grants 8 environmental grants Legal agreement for supplementary funding 	<ul style="list-style-type: none"> 53 loan and grant agreements 45 global and regional grants 3 environmental grants Legal agreement for supplementary funding 	<ul style="list-style-type: none"> 32 loan and grant agreements 40 global and regional grants 3 environmental grants Legal agreement for supplementary funding 	<p>Risks:</p> <ul style="list-style-type: none"> Political situation affects loan or grant <p>Assumptions:</p> <ul style="list-style-type: none"> Country demand for IFAD financing corresponds to planned loans and grants Adequate human resources

⁴⁶ ERMC: Enterprise Risk Management Committee.

IFAD ENTERPRISE RISK MANAGEMENT, BUSINESS CONTINUITY AND GOVERNANCE OUTCOMES 2010-2012 – CMRs 6 AND 9 (cont'd)

Operational outputs	Measures of success and sources of verification	Performance projections (Level 5)			Risks and assumptions
		2010	2011	2012	
<p>Support to Members' governance activities</p> <p>Office of the Secretary (SEC)</p>	<ul style="list-style-type: none"> ▪ Smooth functioning of governing body deliberating process ▪ Increased engagement by IFAD membership <p>Sources:</p> <ul style="list-style-type: none"> ▪ Percentage of governing body documents submitted on time to SEC in accordance with procedures ▪ No. of words edited and translated ▪ No. of hours interpreted ▪ Percentage of governing body documents dispatched to governing bodies on time ▪ SEC client survey 	<ul style="list-style-type: none"> ▪ 1 Governing Council session ▪ 3 Executive Board sessions ▪ 6 Audit Committee meetings ▪ 5 Evaluation Committee sessions ▪ 3 PBAS meetings ▪ 5 Convenors and Friends meetings 	<ul style="list-style-type: none"> ▪ 1 Governing Council session ▪ 3 Executive Board sessions ▪ 6 Audit Committee meetings ▪ 5 Evaluation Committee sessions ▪ 3 PBAS meetings ▪ 5 Replenishment Consultation sessions ▪ 5 Emolument Committee meetings ▪ 7 Convenors and Friends meetings ▪ 1 Executive Board field visit 	<ul style="list-style-type: none"> ▪ 1 Governing Council session ▪ 3 Executive Board sessions ▪ 6 Audit Committee meetings ▪ 5 Evaluation Committee sessions ▪ 3 PBAS meetings ▪ 5 Convenors and Friends meetings ▪ 1 Executive Board field visit 	<p>Assumptions:</p> <ul style="list-style-type: none"> ▪ Adherence to timely submission of governing body documents in accordance with established rules and procedures ▪ IT-based integrated corporate management in place ▪ Documents edited and translated and interpretation needs fully identified ▪ Web-based interactive platform for Member State representatives in place ▪ Full Executive Board awareness of governance costs