IFAD

Enabling poor rural people
to overcome poverty

Action plan for strengthening the self-evaluation system

For: **Information**

Contents

Abbreviations and acronyms

ACP	agreement at completion point
AWP/B	annual workplan and budget
ARPP	Annual Review of Portfolio Performance
ARRI	Annual Report on Results and Impact of IFAD Operations
CPM	country programme manager
CPMT	Country Programme Management Team
IOE	Independent Office of Evaluation of IFAD
M&E	monitoring and evaluation
PCR	project completion report
PMD	Programme Management Department
PMD/FO	Programme Management Department front office
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
PSR	project status report
QA	quality assurance
QE	quality enhancement
RIDE	Report on IFAD's Development Effectiveness
RIMS	Results and Impact Management System
RMF	Results Measurement Framework

Action plan for strengthening the self-evaluation system

I. Introduction and background

1. At the request of the Executive Board, a peer review was conducted of the Independent Office of Evaluation of IFAD (IOE) and its evaluation function, and a final report submitted to the Board in April 2010.[1] After a thorough review, the peer review panel made a number of recommendations, including the preparation and submission of a costed action plan to strengthen the self-evaluation system.[2] This plan would establish priorities and make the case for additional funding and more staff time, within a feasible resource envelope, to strengthen the self-evaluation system so that is it increasingly used to help achieve development results. This recommendation was made in the context of the finding that "… most components of the self-evaluation system have been put in place or significantly strengthened since 2006, a development that represents a major accomplishment". The peer review thus emphasized that the proposed improvement in the self-evaluation system should focus on consolidating, improving and fine-tuning the existing system, rather than introducing more major changes (paragraph 109).

2. In its response IFAD Management agreed that it would prepare a costed action plan to allocate additional funding and more staff time to strengthen the self-evaluation systems, mainly to improve knowledge management and the quality and use of the project completion report (PCR) process.[3] This paper has been prepared in response to the panel recommendation and agreed to by IFAD Management. In presenting the costed action plan, this paper provides an overview of the existing self-evaluation systems in IFAD (section II), an analysis of the areas that need improvement and fine-tuning (section III), estimated costs (section IV), and a matrix summarizing the actions proposed and their associated costs (section V).

II. Instruments of self-evaluation

3. IFAD's self-evaluation system has developed over time (see annex for details). Instruments such as the project status report (PSR) and the portfolio review process were put in place in the late 1990s. The Results and Impact Management System (RIMS) for IFAD-financed interventions was developed in 2004. These systems, however, have undergone major improvements over the years, particularly following adoption of the IFAD Evaluation Policy and the independence of the Office of Evaluation in 2003. The improvements involved strengthening the portfolio review process, a new process following up on implementation of evaluation recommendations agreed to by IFAD Management (2004), and the review and use of PCRs. Following the Independent External Evaluation, a new Strategic Framework and a Results Measurement Framework (RMF) were developed in 2007. Subsequently, in 2008, quality enhancement and quality-at-entry processes were introduced. The RMF was expanded and improved significantly in 2009 by incorporating the results obtained from the quality-at-entry process, PSRs, project outputs reported through the RIMS, and project outcomes/impact reported through PCRs.

4. IFAD's self-evaluation system is an integral part of its RMF, through which a results focus is incorporated into all aspects of IFAD's work. It also links operational, administrative and support activities to IFAD's higher-level strategic development

---

[1] EB 2010/99/R.6, Peer Review of IFAD's Office of Evaluation and Evaluation Function.
[2] Recommendations were made with respect to the reaffirmation of the independence of the evaluation function in IFAD, strengthening of the oversight and accountability of the Independent Office of Evaluation, improvement in the functioning of the independent evaluation system through harmonization of IFAD's evaluation methodology with that of the Evaluation Cooperation Group of the multilateral development banks, strengthening of the learning and feedback loop, use of a broader range of evaluation approaches and methodologies, and improving the efficiency of IOE and further strengthening of the self-evaluation system.
[3] EB 2010/99/R.6/Add.2, paragraph 16.

goals. Two key aspects of the RMF are that (i) all aspects of the project cycle are measured, not just end-of-cycle activities; and (ii) operations management and support services are linked to development objectives. Much of the information relative to IFAD projects and country programmes comes from the self-evaluation system. Where possible, findings are compared with those of IOE.

5.   The advent of direct supervision in 2007 and the initiation and expansion of IFAD's country presence since 2004 have played important roles in strengthening the self-evaluation system. Both instruments have provided IFAD with more first-hand information about the projects it finances, which in turn serves to strengthen the self-evaluation system. Self-evaluation processes, in particular PCRs, have been governed by the harmonization agreement between the Programme Management Department (PMD) and IOE[4] – first signed in April 2006 and updated in 2011 – following the peer review recommendation that IOE rely more on validated PCRs for reporting evaluation findings.

6.   Under the self-evaluation framework, the principal instruments for assessing performance can be classified into three phases:

(a)   Design: quality enhancement (QE) and quality assurance (QA) processes prior to approval;

(b)   Implementation: monitoring and evaluation (M&E), supervision, RIMS and portfolio reviews; and

(c)   Completion: PCRs and the review of the uptake of evaluation recommendations agreed to by government and IFAD Management

7.   A short description of various instruments is presented below.

A.   Quality enhancement and quality assurance

8.   The main instruments for self-evaluation during the **design and approval process** are:[5] the quality enhancement review, managed by the Policy and Technical Advisory Division, and the QA process, coordinated by the Office of the Vice-President. The processes aim to improve the design of a project, taking into account the experiences of similar projects and lessons learned during implementation. These instruments were introduced more recently and as such would not require any significant improvement. Thus they are not included in the costed action plan. Remaining within the limit of existing resources, IFAD management, however, may consider the possibility of further aligning the QA ratings indicators with other parts of self and independent evaluation systems.

B.   Project monitoring and evaluation system

9.   As in any other international financial institution (IFI), the **monitoring and evaluation of projects funded** constitute the foundation of IFAD's own systems of results monitoring and reporting. While the quality of M&E at the project level has shown some improvement over time, the performance of IFAD-supported projects is not uniformly satisfactory – as is the case with projects supported by other IFIs. The monitoring function is often seen as a "donor" requirement, with little relevance to project implementation. It is often viewed as external to implementation processes, and often as the responsibility of one person or a small group of people. Even when information is available, it is not always used to improve project planning or performance. Some of the recurring problems associated with M&E include:

(a)   Low priority accorded to the M&E function, with the resulting inadequate budget for its processes.

---

[4] Agreement between PMD and OE on the Harmonization of Self-Evaluation and Independent Evaluation Systems of IFAD, April 2006.
[5] The Country Programme Management Team review, a form of peer review, is also undertaken during design.

(b)   Lack of qualified staff – many with only a limited understanding of M&E and results frameworks.

(c)   Little integration of M&E into management processes, including annual work planning.

(d)   Isolation and/or high turnover of M&E staff; and

(e)   Emphasis on data collection – little or no analysis undertaken.

10.   IFAD continues to use the comprehensive guidelines that IOE issued in 2002 to assist project-level M&E. The Guidelines for Project Monitoring and Evaluation cover all aspects of M&E, from design to completion. They also deal with various methods of data collection and analysis. IFAD Management is committed to assisting borrowing governments in improving M&E systems, particularly at the project level. To this end, IFAD financing for projects almost always includes estimated costs associated with M&E system development and implementation. In addition, regional divisions are assisting projects with specialized grants, technical advice and technical support for M&E.

C.   Results and Impact Management System

11.   The framework for the Results and Impact Management System (RIMS)[6] was approved by the Executive Board in December 2003. The system was developed to allow IFAD to better monitor and report on (in aggregate) the results and impact of IFAD-supported projects and programmes.[7] RIMS indicators encompass three levels of the results chain, broadly corresponding to outputs, outcomes and impact. This facilitates the integration of RIMS data into project M&E systems. However, RIMS indicators form only a part of M&E systems and thus do not cover all results achieved by projects.

12.   **First-level results (outputs)** are quantitative measures of physical progress (e.g. hectares of irrigation schemes constructed/rehabilitated, kilometres of roads/tracks constructed/rehabilitated). Indicators measuring numbers of people (e.g. people trained in crop/livestock production techniques) are reported disaggregated by sex. Ongoing projects that have been under implementation for at least one year are required to report first-level results. Reporting on the RIMS first level has been consistent in the last few years, with some 85 per cent of the required projects reporting on first-level indicators in 2010 (for the calendar year 2009).

13.   **Second-level results (outcomes)** measure improved functionality or behavioural change. These results look at the extent to which project initiatives were successful in reaching specific outcomes (assessment of effectiveness, e.g. effectiveness of improved financial services) and the extent to which benefits are likely to continue after the end of project support (assessment of sustainability, e.g. likelihood of sustainability of infrastructure). They represent informed judgements of a qualitative nature, using a scale of from 1 to 6. The basis of the ratings is left to the projects, although they are requested to provide quantitative "evidence" for the ratings. Reporting on second-level results is required following the mid-term review or after projects have been under implementation for at least three years. In 2010, slightly more than 90 projects provided second-level ratings.

14.   **Third-level results (impact)** measure the combined effects of project interventions on child malnutrition (against three sub-indicators: acute, chronic and underweight),[8] in itself, and as a proxy measure of income and household assets. Other indicators include: literacy (male/female), length of the "hungry season" access to safe drinking water and to toilet facilities. As of February 2011, about

---

[6] EB 2003/80/R.6/Rev.1.
[7] Only projects initiated by IFAD are required to report under the RIMS.
[8] Child malnutrition is not reported for projects in which the incidence is under 10 per cent.

68 projects had conducted benchmark impact surveys and six had conducted completion surveys. In addition, nine had conducted mid-term surveys. The mid-term survey has been made optional based on a recommendation of the peer review.

15. Indicators applicable to the project at the first and second levels are selected from the universe of RIMS indicators provided in a handbook developed by IFAD. Many of these indicators are reflected in logical frameworks developed during project design. During start-up, indicators to be reported under the RIMS are agreed between the project and IFAD. Appraisal targets for these indicators are identified and recorded at that time. Projects report annually (at the end of March, covering the previous 12 months), including both targets of the annual workplan and budget (AWP/B) and actual progress achieved. Linking physical progress to the AWP/B helps reinforce a results orientation in defining the AWP/B and in implementing the project.

D. Project completion reviews

16. As stipulated in the General Conditions for Agricultural Development Financing, the borrower government prepares a PCR, usually submitted within six months of completion. In order to standardize the preparation of PCRs across the portfolio, IFAD issued the Conceptual Framework and Annotated Outline in 2000,[9] and later the detailed Guidelines for Project Completion. The objective was to standardize the preparation of PCRs, ensure comparability of results with those generated through other self-evaluation systems, and guide the completion process as a whole. The need to allow all stakeholders to take stock of the achievements of a given project/programme was emphasized, as well as reporting focused on the effectiveness, efficiency and impact of IFAD operations, in line with the IFAD Methodological Framework for Evaluation.

17. Since 2006, PMD has conducted an annual review of PCRs submitted to IFAD Management during this period. While some delays have been noticed in receiving the reports, practically all completed projects submit a PCR. The review covers all completed projects and can thus be considered comprehensive in terms of its coverage of the IFAD portfolio. The projects are assessed in terms of:

(a) Performance (overall performance, quality of design, implementation, relevance, effectiveness, efficiency);

(b) Performance of partners (IFAD, government, cooperating institution, cofinanciers, NGOs);

(c) Impact on rural poverty alleviation (assessment of seven key impact indicators[10]); and

(d) Effect on overarching aspects (innovation, replicability and scaling up, sustainability, targeting and gender).

18. To standardize the process and produce comparable ratings, a template is used to assess all PCRs against the same criteria. The assessment template has been revised to align the criteria and ratings with the latest evaluation manual. Detailed assessment guidelines help ensure that the evaluators have the same understanding of all criteria. Following the recommendation of the peer review panel, beginning in 2011 IOE will use the PCR as a primary basis for reporting outcomes and impact. As a result, PCRs have now assumed a critically important role – both for independent and self-evaluations.

19. Over time, the quality of PCRs has improved. Nevertheless, there are areas in which the PCR process needs further improvement. Overall, the PCR process continues to

---

[9] EB 2000/69/R.14.
[10] Household income and assets, food security, agricultural productivity, natural resources and environment, human and social capital and empowerment, institutions and policies, and markets.

remain under-resourced, relying largely on project level resources, complemented with a relatively limited support from IFAD. The areas that require improvement include:

(a) Projects need a better understanding of evaluation criteria, so that PCRs reflect not just outputs achieved by the projects, but also outcomes and impacts.

(b) Impact claims are provided without sufficient data. There is very little focus on the issue of attribution. With regard to efficiency, an ex-post estimation of the economic internal rate of return is often not conducted.

(c) Causal relationships are not articulated in a number of PCRs; thus while results are listed, the causes or the complex of factors that led to their achievement (or non-achievement) is not as clearly laid out. As a result, reasons for performance or non-performance are difficult to discern.

(d) Arguments need to be substantiated through triangulation of different sources – including RIMS data at the outcome level and impact surveys. In general, M&E data are not sufficiently used in validating claims.

E. Performance review and reporting

20. The portfolio review process is the main management tool used by PMD and Senior Management to monitor and self-assess the performance of the portfolio. This includes measuring outputs; assessing efficiency, effectiveness and impact; identifying problems and appropriate solutions; mitigating deteriorating trends; and drawing lessons from experience. Updated guidelines are circulated annually, although in recent years, the changes have been limited.

21. The portfolio review process is underpinned by the project supervision and implementation process, which serves as an important instrument for validating results and taking corrective measures, as necessary, to ensure the achievement of the project's goals efficiently and effectively. The main output of supervision, from a corporate learning perspective, is the aide-memoire,[11] accompanied by the PSR, which contains a snapshot of progress made and issues being faced in implementing the project. The portfolio review process is designed to integrate information from a variety of sources and provides for a systematic review at various levels – project, country programme, regional and corporate. The review culminates with a meeting between the division and the Associate Vice-President, PMD, in which good practices and issues relative to the regional portfolio are discussed. To facilitate this process, annual regional portfolio reports are prepared by the regional divisions. In terms of reporting, the portfolio review process contributes directly to the divisional and corporate portfolio review reports and to the Report on IFAD's Development Effectiveness (RIDE).

F. Follow-up and reporting on agreed evaluation recommendations

22. The IFAD Evaluation Policy, as amended in 2011,[12] retains the requirement that the President ensure the adoption of feasible evaluation recommendations agreed between government and IFAD Management following each evaluation, track the implementation of the recommendations, and report the results of follow-up actions to the Executive Board through the **President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)**. The PRISMA report presents an analysis of the uptake of

---

[11] Technical annexes can also be an important source of learning, but in the main are directed at implementation issues specific to the project.
[12] EB 2003/78/R.17/Rev.1, IFAD Evaluation Policy, and EB 2011/102/R.7/Rev.1, Revised IFAD Evaluation Policy.

recommendations contained in the agreement at completion point (ACP).[13] The ACP reflects the stakeholders' understanding and agreement on the evaluation findings and recommendations, and their proposals and commitment to implement them.

III. Proposed future improvements

23. IFAD's self-evaluation function primarily serves two purposes: accountability and learning. In terms of accountability, performance assessments during the portfolio review process undergo various stages of quality control, and thus ensure rigour in the ratings. Moreover, the PRISMA process ensures that evaluation recommendations are followed up on a regular basis. It is considered that these aspects of the self-evaluation system (portfolio review and PRISMA) are robust, and do not require any additional resources in the immediate future to improve the quality of outputs. As stated, the QE/QA processes are relatively recently designed and thus are also not in need of any immediate, major improvements. Remaining within the existing staff resources and defined institutional processes, there would, however, be a need to enhance the quality of the assessment of country programme performance, in particular, in assessing the synergy among various projects within the country and the performance of the non-lending activities. Similarly, the portfolio review process will be used to internally monitor and consolidate reporting on critical thematic areas such as gender and private sector.

24. Some other elements of the self-evaluation system, however, require further strengthening, particularly in terms of better attribution of results and using the knowledge generated to improve future designs. This can be done mainly by strengthening project M&E and RIMS second- and third-level results measurements. In addition, the assessments in PCRs need to be complemented by greater evidence-based impact analyses.

25. In proposing the direction and magnitude of the changes, however, it is important to be cognizant of the peer review panel's overall observation that most components of the self-evaluation system are in place or have been significantly strengthened (paragraph 1). In accordance with the panel's recommendation, future changes will focus mainly on improving knowledge management and the quality and use of the PCR process. These actions will be complemented by:

    (a) Providing further assistance to borrowing countries and IFAD-supported projects, and complementing their efforts to improve project-level M&E, while recognizing that this will be a long-term endeavour;

    (b) Reviewing the RIMS in order to harmonize it with other PMD and OE instruments, including the dropping of the mid-term impact assessment;

    (c) Continuing to take measures to improve the quality and use of PCRs;

    (d) Making lessons documented in PCRs available to country programme managers (CPMs), Country Programme Management Teams (CPMTs) and others involved in formulating new projects and COSOPs, and feeding these lessons into the QE and QA processes;

    (e) Identifying ways to extract knowledge systematically to make the self-evaluation system more useful in supporting new strategies, policies, COSOPs and projects.

A. Project-level M&E

26. The quality of any self-evaluation system will ultimately depend on the quality of the project-level M&E system. At the project level, there is a greater need for training and capacity-building of project management staff and implementing

---

[13] The two objectives of the ACP are to: (i) clarify and deepen the understanding of recommendations, document those that are found acceptable and feasible and eventually generate a response by stakeholders on follow-up action; and (ii) flag evaluation insights and learning hypotheses for future discussion and debate.

partners, along with greater understanding of their roles and responsibilities in designing and implementing M&E systems. Greater attention to the mechanics of M&E during project design (who, what, why), and emphasis on the link between M&E and achievement of results, is needed during the design phase. However, overly elaborate and ambitious M&E systems should be avoided.

27. Consideration should also be given to fielding M&E experts during supervision missions – most critically at start-up or in early implementation – in order to work with project staff to better integrate M&E into project implementation processes. The focus of field visits would be on ensuring that all project staff feel responsible for M&E and that an M&E plan is in place. The information required from service providers/implementing agencies, as well as its periodicity, needs to be defined and agreed on. In general, M&E staff must spend more time analysing data and using them in decision-making processes. In addition, analysis and reporting at the levels of outcomes and impact must be emphasized, not only at those of activities and outputs.

28. In terms of providing inputs to strengthen project-level M&E, IFAD will focus on:

   (a) Systematically including an M&E expert in at least one design mission for each project, using the existing resource envelope tagged for project design;

   (b) Ensuring that the project plan outlines M&E-related tasks and provides an adequate budget to undertake these activities;

   (c) Allocating additional resources for fielding an M&E support mission at start-up or in the early stages of project implementation to help project management develop the M&E plan and undertake baseline studies/surveying; and

   (d) Facilitating inter-project staff field visits, with a focus on learning and sharing M&E experiences.

B. Results and Impact Management System

29. The start-up of the RIMS was gradual. In recent years, however, this has changed and about 85 per cent of projects submit first-level results. The quality of submissions has also gone up significantly. There are some remaining challenges with regard to impact reporting, however. To begin with, RIMS reporting needs to be better integrated with other self- and independent evaluation processes. In terms of impact monitoring, about 65 projects have completed baseline surveys. If these are appropriately followed up by impact surveys, IFAD will obtain a fairly good assessment of the impact created at the level of its project beneficiaries.

30. Second, the impact survey methodology could be further strengthened. One option that would help in establishing links in the results chain, at least in part, would be to focus on qualitative assessments of project interventions and their outcomes. This could be done through surveys in project areas. In fact, some annual mini-surveys have been conducted in the Asia and the Pacific region to: (i) measure more regularly the positive or negative changes/outcomes taking place at the household level; (ii) provide early evidence of project success or failure; and (iii) obtain timely performance information, so that corrective actions may be taken if required to assess targeting efficiency.[14]

31. These surveys would be relatively less expensive and would help staff better understand the causal chain. They may also be useful in testing the use of a comparator group at project completion (a population in an environment similar to the project area, but not involved in project activities).

---

[14] The "annual outcome survey" is a simple household survey that will be undertaken annually by project staff and will cover a small sample of 200 households selected randomly. It will be conducted exclusively in villages targeted by the project or participating in project interventions, and will include both project beneficiaries and non-beneficiaries (the latter being used as a comparator group).

32.   In light of the above, IFAD Management will take the following actions to improve the availability and quality of impact data:

(a)   Ensure that impact surveys at completion are undertaken by most, if not all, projects that have already undertaken baseline surveys, and achieve this through vigorous follow-up with projects and borrowing governments and some capacity-building support to the projects;

(b)   Review the RIMS survey methodology for possible improvements, particularly by taking a more systematic approach to qualitative assessments or by testing the establishment of a comparator group at the end of the project period;

(c)   Selectively provide technical assistance in cases where survey resources are not readily available; and

(d)   Pilot the methodology adopted with a view to enhancing the rigour of the impact survey.

33.   In terms of measuring impact, and to a lesser extent outcomes, IFAD could benefit from developing partnerships with other aid agencies and partners, either to ensure access to surveys conducted by them, or to partner with them in conducting such surveys. For example, the World Bank and UNICEF regularly conduct surveys related to livelihoods, income and child malnutrition. IFAD-supported projects could benefit from access to that data, particularly the raw, disaggregated data relevant to their area of operation. The partnership-based approach could also be useful in enhancing impact evaluation. For example, the West and Central Africa Division is now partnering with selected researchers in European and United States universities on two initial evaluations in Mauritania (for gender empowerment) and Sierra Leone (for warehouse receipts). While the actual research work is financed externally, project staff are making an in-kind contribution by allocating time to the evaluations. Likewise, Asia and Pacific Division has established a partnership with WFP's Vulnerability Assessment and Mapping Unit in India to share baseline surveys and where possible partner with one another in conducting surveys. Similar partnerships could be explored with the Bill & Melinda Gates Foundation.

C.   Project completion reports and review

34.   In recent years, the submission rate of PCRs has increased remarkably, and if allowance is made for some delay in submitting PCRs, it has now reached almost 100 per cent. While the quality of PCRs has also been improving, there is a clear need to further enhance the quality and rigour of this report. These improvements would have to be made primarily by using more impact data; articulating more forcefully, using reliable evidence dealing with the causal relationship (i.e. explaining 'why' the performance is what it is); and distilling lessons that can be used for future design. Over time, the structural content of PCRs has become increasingly aligned to the guidelines. Nevertheless, improvements are needed in this aspect as well, particularly in cofinancier-appraised and -supervised projects.

35.   First, with respect to the quality of PCRs, it is noteworthy that most of the costs associated with the project completion process need to be borne by project management or borrowing governments.[15] As a result, IFAD has been allocating only a very limited amount of resources to assist project management and is restricted mainly to providing technical advice to help PCRs attain an acceptable standard.

36.   Second, The PCR process is centrally managed by the PMD front office (PMD/FO) to ensure cross-comparability of results across the regional portfolios. In addition, ratings have been assigned independently by consultants, without the involvement

---

[15] Section 7.16 of the General Conditions for Agricultural Development Financing requires that the borrower/recipient furnish the project completion report to the Fund.

of IFAD staff. As this process now has matured, the focus should be changed – emphasizing knowledge management and [making] the process more participatory, while retaining the overall co-ordination and quality control role of PMD/FO. In general, the regional divisions will also be involved in a more intensive review of the draft PCRs and assigning initial ratings of performance. In fact, some divisions have already introduced quality-control mechanisms that include a peer review or review by the CPMT.

37. Third, at the corporate level, recent changes in evaluation methodology and in the nature of the IFAD portfolio need to be captured in the PCR guidelines. This includes aligning the guidelines with the new evaluation manual.[16] In addition, there is a need to introduce recent changes with regard to the RMF and to further integrate RIMS results into the PCR process. This will also be accomplished by revising the PCR guidelines.

38. Fourth, with the decision that validated PCRs will be used by IOE, the PCR review in PMD has become a year-round, more intensive and costlier process.[17]

39. In light of the above, the following changes have been proposed with respect to the project completion process:

    (a) Increase the budget for PCRs for each project to US$35,000, on average, given that the PCR process is under-resourced.[18] This would imply an incremental cost of about US$15,000 per PCR. The increased budget may also be used to ensure that the lessons distilled through the PCR process are disseminated widely among in-country stakeholders.

    (b) Enhance the quality and sharing of knowledge, using methods such as peer review of PCRs, by deepening and broadening the process to the rest of PMD.

    (c) Assign responsibility for initial ratings to CPMs, who would work closely with in-country stakeholders. These ratings would be finalized later, keeping in view the need to maintain cross-comparability of the ratings.

    (d) Allocate limited incremental resources to support the year-round review of PCRs as part of the desk and field verification process instituted by IOE.

    (e) Update the PCR guidelines and issue the revised version by March 2012, using existing resources available to PMD, also laying emphasis on preparing annual divisional plan preparing PCRs to ensure timely completion and sharing.

Knowledge management

40. The self-evaluation function has taken many steps to ensure consistency and rigour in its processes – and thus play a crucial role in obtaining pertinent information for decision-making and generally enhancing accountability for results. However, its contribution to learning, while significant, could be further improved. The recommendation of the peer review panel is thus highly relevant: identify ways to extract knowledge systematically to make the self-evaluation system more useful in supporting new strategies, policies, COSOPs and projects.

41. The following processes to encourage knowledge-sharing across divisions have been put in place:

    (a) In terms of a knowledge infrastructure, a number of PMD online tools have been developed in recent years, including PSR Online, RIMS Online, the Operations Library and Operations Dashboard. These tools allow all IFAD

---

[16] IFAD. *Evaluation manual: Methodology and processes* (Rome: Office of Evaluation, 2009).

[17] This includes resources provided for independent consultants to enable them to review not just the PCR but other supporting documents, including the latest supervision report, PSR, mid-term review, etc., so that the review process becomes robust by internalizing the project results spanning the entire life of the project.

[18] The expenditure borne by IFAD varies significantly. The average amount was slightly less than US$20,000 for PCRs completed in the last two years. This amount is spent to assist the project/government to ensure quality and share knowledge. The preparatory cost of PCRs is mostly charged to the project budget otherwise.

users to access updated information on various aspects of the portfolio.

(b) Divisional portfolio review meetings often feature participants from relevant divisions outside PMD, so that interdepartmental issues can be explored.

(c) The Annual Review of Portfolio Performance (ARPP) includes extensive information on completed projects, as well as a wealth of data on the performance of the currently active project portfolio. The 2009 report was presented to the staff of the entire organization. For the 2010 review, a half-day workshop and knowledge fair were organized, including stands on various tools, emerging issues from the field and experiences (i.e. sharing of success stories).

42. In terms of the regional divisions, all divisions have organized regional implementation workshops, bringing together project staff from all ongoing programmes. These workshops are excellent opportunities for knowledge-sharing and learning, as they allow both project and IFAD staff to benefit from each other's learning and knowledge and the challenges faced.

43. However, as stated, there needs to be more emphasis on knowledge management as an integral part of the self-evaluation process. It should focus on extracting knowledge more effectively from existing systems in order to support future action and design. Knowledge from PCRs, in particular, could be used more effectively in future project design, in presenting results of the IFAD portfolio and in further strengthening evaluation processes. To this end, PMD will put available PCRs, their summaries and the rating database in easily accessible format by December 2011. In addition, it will share the data and information more widely to allow for more horizontal comparisons across organizational units.

44. With regard to the portfolio review process, there is a need to exchange learning and information across PMD divisions, in terms of both best practices and lessons learned. Overall, the learning loop will be strengthened significantly through a variety of tools, focusing on two levels:

(a) **Internal stakeholders.** Lessons from annual RIMS reporting, new issues emerging from PRISMA, and new features and problems of the portfolio emerging from the portfolio review process should be disseminated more effectively to CPMs, CPMTs, consultants regularly involved in critical processes, and the technical advisory division, so that lessons can be internalized in future design.

(b) **External stakeholders.** Lessons from self-evaluation processes would be fed back to project authorities, governments, civil society and partner institutions. In communicating results and stories from the field, the focus should be on dissemination between countries as much as at the corporate level.

45. Additionally, as part of the self-evaluation process, staff from PMD will visit one or two of the best- and worst-performing projects (as rated in PSRs) to identify best practices and issues related to performance and results management. These will be highly focused visits to synthesize lessons learned. The results will be summarized in the following year's portfolio review reports. Copies of the case studies will be made available in the relevant Operations Libraries.

D. Review of self-evaluation system components

46. Since the conclusion of the peer review process, IFAD Management has further strengthened the portfolio review guidelines in order to improve comparability of the annual portfolio reviews across divisions, as suggested in the peer review report. Moreover, it reaffirms its commitment to assist and facilitate IOE in identifying priorities and sequencing requests to systematically evaluate the various components of the self-evaluation system, using focused real-time evaluations.

IV. Cost estimates and implementation arrangement

47. In proposing activities to strengthen the self-evaluation system and in estimating costs, IFAD Management has taken two factors into consideration: (i) the strengthening process should focus on consolidating and fine-tuning, rather than on introducing major changes; and (ii) investing more in strengthening M&E at the project level would produce better results in the long run. An activity matrix applying these principles, including associated costs, is presented on the following pages.

48. As shown in the matrix, an additional expenditure of some US$910,000 would be required on an annual basis, supplemented by a one-off cost of US$65,000. The additional expenditure will mainly be used to strengthen: (i) project-level M&E systems, by providing technical assistance at an early stage of project implementation in setting up the system (US$350,000); (ii) the project completion process (US$450,000); (iii) sample test surveys (US$60,000); and (iv) selective field validation (US$40,000).

49. The self-evaluation system at IFAD headquarters will also benefit from the actions recently taken to convert consulting positions to staff positions. This will help in better document management and thus in supporting knowledge-sharing and reporting on project impact. Almost all the proposed budget will be spent on strengthening systems at the project level in borrowing member countries. When compared with the value of the current portfolio of US$4.8 billion, this amount can be considered modest.

V. Summary of action plan for upgrading the IFAD self-assessment system (with cost estimate)

Focal area/present instruments/processes	*Improvements*	*Incremental cost implications*	*Timing*
A. Develop practical ways to improve project-level M&E (i) Managing for Impact in Rural Development – A Guide for Project M&E (ii) Regional M&E supports grant-funded projects	(i) Ensure adequate budget for M&E in project designs (ii) M&E expertise included at start-up or in initial supervision missions (iii) Facilitate inter-project field visits focusing on M&E	(i) Nominal incremental cost during design (ii) US$350 000[19] to projects (iii) Met from project budget; nominal facilitation cost to IFAD	(i) Beginning in 2012 (ii) For projects approved in 2012 (iii) Beginning in 2012
B. Harmonize the RIMS with approaches used in the self-evaluation and independent evaluation systems RIMS reporting first- and second-level and impact surveys	(i) Ensure that projects undertake impact surveys at completion point; follow up with the projects and provide capacity-building support (ii) Ensure that RIMS data are used throughout the project cycle, revise/upgrade design, portfolio review and project completion guidelines, enhance cross-referencing (iii) Strengthen outcome measurement, analyse various methodological choices (iv) Undertake pilot measures using quantitative or qualitative techniques, depending on the methodology agreed on (v) Support projects in surveying 'comparator' group at project completion stage for projects having baseline surveys	(i) Staff time to follow up and assist impact survey (ii) Mainly staff time (iii) Staff time to identify possible options and consulting services US$25 000 (iv) US$40 000 (v) US$60 000/year (to be borne by projects)[20]	(i) 2011-2015 (ii) By December 2012 (iii) By June 2012 (iv) 2012-2013 (v) 2012-2015
C. Continue applying measures to improve quality and use of PCRs Budget for PCR is contained in most projects Support for completion can be financed from IFAD implementation-support budget IOE validation of PCRs has begun Arms-length review conducted in PMD	(i) Ensure that a specific budget line for PCR is included in all project designs (ii) Allocate additional resources for the completion process from IFAD implementation-support budget (iii) Update PCR guidelines to better reflect existing corporate processes (iv) Improve/establish regional quality control/peer review systems (v) Strengthen arms-length review process in terms of both scope and content	(i) Some additional staff time (ii) US$450 000[21] (iii) Additional staff time, financed through exiting budget line (iv) Some additional staff time (v) Some additional staff time Additional consultant time US$10 000	(i) For projects approved in 2012 (ii) For projects completed in 2012 (iii) March 2012 (iv) Beginning January 2012 (v) Being implemented/ strengthened further beginning in 2012

[19] 35 project start-ups/year x US$10 000
[20] 5 test surveys/year x US$12 000
[21] 30 PCRs x US$15 000/PCR

D.	Identify ways to extract knowledge systematically to make the self-evaluation system more useful in supporting new strategies, policies, COSOPs and projects Electronic document repositories (Operations Libraries) of country- and project-related documents QE/QA processes	(i) (ii) (iii) (iv)	Improve search functionality and develop dynamic queries for selected thematic areas Ensure ready availability of information in easily accessible format Organize knowledge-sharing session, using mainly but not exclusively PCRs Field validation visits undertaken by staff to identify lessons from best/worst performers	(i) (ii) (iii) (iv)	Full-time staff recruited to support document management in PMD – remaining within total budget envelope Temporary staff position (portfolio analyst) to be converted to fixed-term staff position with minimal additional cost Mainly staff time US$40 000[22]	(i) (ii) & (iii) (iv) (v)	Mid-2011 Recruitment completed by October 2011 and knowledge-sharing session regularized beginning 2012 Beginning 2012 Beginning 2012
E.	Identify priorities and sequencing for systematic evaluations of the components of the self-assessment system, using focused, real-time evaluations	(i) (ii)	Self-review by PMD of RIMS and project completion methodologies PMD to discuss and facilitate any review proposed by IOE	(i) (ii)	Mainly staff time Mainly staff time	(i) (ii)	2011-2012 As and when requested by IOE

---

[22] 2 countries x 5 regions @ US$4 000 = US$40 000

Evolution of the self-evaluation system

A.   Portfolio review system

Year	Milestones	Main features
1996	PA (now WCA) pilots PSR and portfolio review at divisional level	PSRs filed for all effective projects; portfolio review meetings held with CPMs; divisional portfolio review meeting held annually
1997	COSOPs introduced	Provided rationale for country engagement; focused on investment projects
1998	PA pilots country programme issues sheet (CPIS)	CPISs prepared for all active countries and discussed during portfolio review meetings
1998	Portfolio review system implemented across regional divisions; specific guidelines prepared for this purpose	PSRs filed for all effective projects; divisional report discussed with AP/PD
1998	First Progress Report on Project Implementation to EB	First attempt at analysing portfolio performance; review of implementation issues and selected features of the portfolio
1999	First Progress Report on the Project Portfolio to EB	Annual reporting on the health of the portfolio
2003	CPIS implemented across PMD	Review of country-level aspects added to process
2005	Portfolio Review Group established	Ensures ownership of process across PMD
2006	Harmonization agreement between PMD and OE, 6 April 2006	Establishes common standards for self-evaluation and independent evaluation functions
2006	First Portfolio Performance Report (PPR)	Reporting modus is analytical and uses empirical data; PMD departmental review process greatly strengthened
2008	PPR converted to Annual Report on Portfolio Performance (ARPP)	Last year of submission to EB, henceforth a management review document – ARPP
2008	Introduction of Report on IFAD's Development Effectiveness (RIDE)	Annual reporting to EB on portfolio performance through the RIDE report
2009	ARPP and RIDE strengthened	First-level RIMS results reported in both ARPP and RIDE

B.   Results and Impact Management System (RIMS)

Year	Main features	Improvements
2003-2004	RIMS system initiated and Implementation Coordination Team established to support the RIMS and more-responsive M&E systems	RIMS system first presented (December 2003)
2005	Piloting of survey methodology in five countries in 2004-2005	Impact survey manual developed; questionnaire modified based on pilot experience
2006-2007	Second-level assessment framework finalized	First- and second-level results handbook developed
2008	Increased reporting from projects	First- and second-level results reported more consistently
2009	Increased reporting by projects; increased attention to quality and coherence of data; regional grants and workshops for strengthening M&E systems at project level	Improved survey analysis software developed; RIMS Online developed; accompanying manuals developed; first-level results presented in ARPP and RIDE

C.   Project completion review

Year	Instrument	Main features
2000	Conceptual framework and annotated outline for project completion, EB 2000/69/R.14	First attempt to standardize preparation of PCRs
2006	Harmonization agreement between PMD and OE, 6 April 2006	Establishes common standards for self- evaluation and independent evaluation functions
2006	Guidelines for Project Completion, June 2006	Establishes a framework for standardized approach to project completion; PCR function strengthened; key output and main source of knowledge and information about a project aligned with Methodological Framework for Evaluation
Since 2006	Annual assessment and review of PCRs	PCR review becomes part of the self-evaluation system; results comparable to those of the Annual Report on Results and Impact of IFAD Operations (ARRI) and other IOE outputs
2011	Annual assessment and review of PCRs feeds into IOE PCR validation	PMD ratings shared with IOE on individual projects; supporting documents such as supervision report and mid-term review also covered

D.   President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

Year	Main features	Improvements
2004	Cross-cutting themes, implementation highlights	First PRISMA presented
2005	Evaluation coverage, nature of recommendations, thematic review	Categorization of recommendations by entity, nature and theme introduced; report significantly strengthened
2006	Evaluation coverage and nature of recommendations, thematic review by blocks; status of follow-up tracked in four categories	Categorization of follow-up action introduced to enable better tracking; more-precise categorization of entity; thematic blocks used
2007	Evaluation coverage and nature of recommendations, thematic review; implementation status tracked in six categories	Improvement in follow-up categories to better reflect project realities; thematic review; source of responses listed for greater accountability
2008	Evaluation coverage and nature of recommendations, thematic review; implementation status tracked	Regional comparison introduced; streamlining of thematic categories; focus on learning themes covered in ARRI
2009	Evaluation coverage and nature of recommendations, implementation status for the current year, thematic review including learning themes; synthetic review section included	Synthetic review section introduced on recommendations and responses over four years, providing long-term perspective and allowing statistical analysis
2010	Response to ARRI recommendations included	PRISMA begins responding to ARRI recommendations
2011	PRISMA content broadened	Review of the performance in sub-Saharan Africa added