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IFAD development effectiveness framework

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Abbreviations and acronyms

CLEAR	Centers for Learning on Evaluation and Results
CPM	country programme manager
CPMT	country programme management team
DEC	development effectiveness checklists
ECD	Environment and Climate Division
IAI	Impact Assessment Initiative
IFI	international financial institution
M&E	monitoring and evaluation
OPE	Operational Programming and Effectiveness Unit
PCR	project completion report
PDR	project design report
PMD	Programme Management Department
PMU	project management unit
PSRR	project status and results report
PTA	Policy and Technical Advisory Division
QA	quality assurance
QE	quality enhancement
RIA	Research and Impact Assessment Division
RIMS	Results and Impact Management System
RMF	results measurement framework
SDG	Sustainable Development Goal
SMART	specific, measurable, attainable, realistic and timely
SO	strategic objective

Executive Summary

1. The Impact Assessment Initiative (IAI) – a deliverable under the Consultation on the Ninth Replenishment of IFAD's Resources (IFAD9) – demonstrated that millions of rural people benefit in a variety of ways from IFAD investments. While demonstrating these substantial impacts, the IFAD9 IAI also highlighted shortcomings in IFAD's approach to measuring results, including impacts. The fundamental message coming out of this process is that adequately identifying the results achieved by IFAD investments requires careful, forward-thinking and proactive planning and action-oriented decision-making. In short, it requires the development of a framework to ensure adequate information is collected. The purpose of this document is to craft a development effectiveness framework for IFAD with the objective of creating the necessary structure to facilitate the use of evidence in decisions regarding the design and implementation of projects.
2. While IFAD projects have many of the elements for achieving development effectiveness, an assessment of the underlying constraints to improving evaluability has identified key shortcomings over the years. Various initiatives to remedy these shortcomings have been undertaken, yet IFAD has never had a comprehensive and coherent approach for measuring results – including impact. Such an approach is needed. The proposed framework is underpinned by a theory of change based on a diagnosis of underlying constraints. Five areas have been highlighted around which sets of activities need to be undertaken, along with the anticipated outputs from those activities and, finally, how those outputs will lead to the intended impact of evidence-based decision-making. While the ultimate goal is to improve development projects and make them more likely to achieve their development objectives, the purpose of the framework is to ensure the generation of evidence that is systematically used and collected in projects.
3. The proposed activities at the base of the theory of change are the following:
 - (i) Strengthening the focus on results through the project cycle. The activities in this area are: (a) enhancing IFAD's self-evaluation tools, including the project design report, the project status and results report, and the project completion report, to ensure proper collection of information; and (b) putting into place a development effectiveness checklist to ensure compliance and quality of project documents.
 - (ii) Enhancing self-evaluation and accountability for results. The activities in this area are: (a) establishing a dedicated and accountable unit to expand learning and fulfil corporate requirements thereby giving self-evaluation more prominence and authority and (b) assigning members of country programme management teams with clear responsibilities and co-leadership roles to ensure accountability at the project level.
 - (iii) Improving monitoring and evaluation capacity in the rural sector. The key activities in this area are: (a) training government counterparts in conjunction with the Centers for Learning on Evaluation and Results (CLEAR Initiative), which is designing a curriculum for a certification in monitoring and evaluation and impact assessment in collaboration with IFAD; and (b) training IFAD staff as part of a "country programme manager academy".
 - (iv) Fostering the use of evidence in portfolio management. The activities in this area are: (a) systematic analysis of IFAD's development investment portfolio to understand its potential impact on IFAD's strategic objectives; and (b) systematic review of the portfolio's components in order to build an evidence base that can be used for identifying and designing projects that are likely to be successful.
 - (v) Linking project monitoring and evaluation to corporate results reporting. Activities will include: (a) aligning the indicators used for project

monitoring and evaluation with those used by the Results and Impact Management System (RIMS); (b) reforming and folding the RIMS into supervision reporting; (c) developing a system for selecting projects and impact indicators to assess the impact of IFAD investment; and (d) combining the RIMS and impact assessments for corporate results reporting.

4. Together, these activities should overcome the constraints on the generation and use of evidence in decision-making and push forward a results-based agenda that creates three outputs: (i) projects that are designed in a manner that enhances overall corporate development effectiveness; (ii) project logic that is systematically monitored and maintained through the project cycle; and (iii) impact assessments that maximize learning. These three outputs in turn should lead to the key outcomes of enhanced learning and strengthened accountability thereby allowing for evidence-based decision-making. By promoting the integrated activities in this framework, IFAD can move ahead with a development effectiveness agenda that showcases its results and provides lessons for the future.

IFAD development effectiveness framework

I. Introduction

1. A key aspect of the Ninth Replenishment of IFAD's Resources (IFAD9) was an enhanced thrust for impact assessment. Given this emphasis, significant resources were invested to: (i) explore methodologies to assess impact; (ii) measure – to the degree possible – the results and impact of IFAD-financed activities; and (iii) summarize lessons learned and advise on rigorous and cost-effective approaches to attributing impact to IFAD interventions.¹ The resulting IFAD9 Impact Assessment Initiative (IAI) demonstrated that IFAD's investments in rural people generated returns in a number of critical areas, including assets, resilience, livestock ownership, agricultural revenues, nutrition and women's empowerment, highlighting that millions of rural people are projected to benefit in a variety of ways from IFAD investments.²
2. While demonstrating substantial impact, the IFAD9 IAI also highlighted significant shortcomings in IFAD's approach to measuring results. Some key lessons that emerged from the initiative are that:
 - (i) Logical frameworks (logframes) and monitoring and evaluation (M&E) systems must be systematically strengthened at the project design stage to ensure project evaluability;
 - (ii) IFAD must focus on impact assessments designed ex ante to accurately attribute impact of IFAD investment;
 - (iii) Impact assessments should be selected and structured to facilitate and maximize learning while recognizing the need for corporate reporting;
 - (iv) IFAD should focus on a comprehensive set of indicators that reflect IFAD's three strategic objectives (SOs) as articulated in the IFAD Strategic Framework 2016-2025;
 - (v) An impact assessment agenda requires systematically reviewing the portfolio to understand the impact potential of IFAD-funded projects and to identify where there are evidence gaps; and
 - (vi) An impact assessment agenda must be a multistakeholder and participatory process to ensure relevance.
3. The lessons that emerged from the IFAD9 IAI were a consequence of the general approach taken. To push forward a results agenda as part of the results measurement framework (RMF) for IFAD9, IFAD boldly shifted from an output measure of number of beneficiaries reached to a high-order impact measure of number of people moved out of poverty. This forward-looking change in emphasis placed pressure on IFAD's results measurement systems, as assessing high-order impacts was uncharted territory. As a result, significant learning occurred over a relatively short period of time. The fundamental message coming through the noted lessons is that to adequately identify the results achieved by IFAD investments requires careful, forward-thinking and proactive planning and action-oriented decision-making. In short, it requires a framework to ensure that timely and adequate information is collected.
4. Developing such a framework is the next logical step in IFAD's evolution as a results-based organization. The focus on results began over a decade ago when IFAD created the Results and Impact Management System (RIMS) to measure and report on the results of IFAD-supported projects, and it continued with the IFAD9

¹ Methodologies for Impact Assessments for IFAD9 (EB 2012/107/INF.7), para. 6 of the executive summary.

² Synthesis of lessons learned from the IFAD9 Impact Assessment Initiative (EB 2016/117/R.8/Rev.1).

IAI. Clear advances have been made, but limitations remain. Recognizing these limitations, IFAD has already taken a series of actions to improve its ability to generate evidence on the success of its projects. However these individual initiatives need to be consolidated and expanded to ensure a coherent and comprehensive approach.

5. The purpose of this document is to craft a development effectiveness framework for IFAD with the objective of creating the necessary structure to facilitate the use of evidence in decisions regarding the design and implementation of projects. A sharper focus on development effectiveness is proposed since adequately measuring results – from outputs to outcomes and impact – requires designing and implementing effective projects. There is little to be learned from projects that are not well designed or implemented. Results should be measured for projects that build on existing evidence and have the highest likelihood of success.
6. Towards this end, the next section clarifies the definition of development effectiveness and what is required for its achievement. Section III examines the underlying constraints to improving development effectiveness at IFAD and section IV provides a theory of change for addressing these constraints and promoting evidence-based decision-making. This theory of change lays out the set of activities, their outputs, and their anticipated outcomes and impact that underpin the framework. Section V sets forth the specific activities necessary to implement the framework.

II. Development effectiveness and its implications

7. Like other international financial institutions (IFIs), IFAD must continuously work at being effective in bringing about development objectives. Effectiveness is defined as "the extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance."³ Development effectiveness is achieved if the activities and outputs of development interventions:
 - Are relevant to the needs of the target group and its members;
 - Contribute to the achievement of development objectives and expected development results at the national and local level in developing countries;
 - Generate sustainable benefits for the target group members;
 - Are delivered in a cost-effective way;
 - Are inclusive in that they support gender equality and environmental sustainability; and
 - Allow participating and supporting organizations to learn from experience and use performance management and accountability tools, such as evaluation and monitoring, to improve effectiveness over time.⁴
8. Bringing about effective development requires selecting a set of projects that are likely to be successful in achieving development objectives (doing the right things) and designing individual projects that are geared towards meeting an objective (doing things right.) Doing the right things requires a country strategy that carefully assesses the rural development situation and selects interventions that match government and IFAD priorities for addressing key limitations in promoting rural development. Doing things right requires ensuring individual projects are

³ Organisation for Economic Co-operation and Development (OECD), Development Assistance Committee (DAC), *Glossary of Key Terms in Evaluation and Results-Based Management* (Paris, 2002).

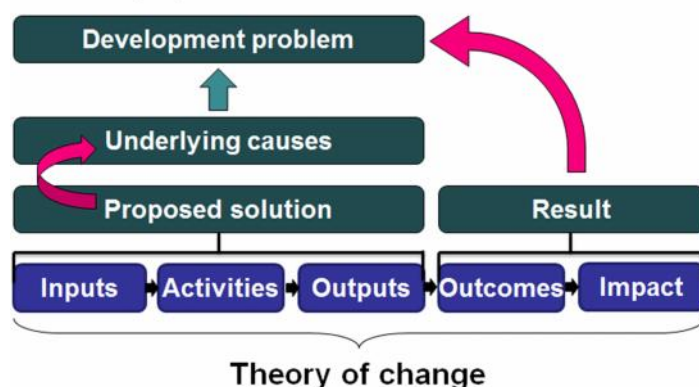
⁴ OECD, *Assessing the Development Effectiveness of Multilateral Organizations: Guidance on the Methodological Approach* (2012).

designed and implemented so as to have the highest likelihood of effectively bringing about development.

9. To be effective, interventions need to be designed to address a development problem. Failure to do so means that investments are not targeting a fundamental reason for underdevelopment. Consider figure 1, which demonstrates the link between a project and a development problem. Adequately addressing a development problem requires analysing the underlying causes of that problem. This allows for careful reflection on the sources of the problem and should point to potential solutions. The proposed solution should not only target the underlying causes inhibiting development, but also have a clear logic and be based on the available evidence of what has been shown to be successful in overcoming the identified constraints. The expectation is that the proposed solution is sufficient to bring about a result that will ultimately address the problem.

Figure 1

Effective projects



10. A development intervention is a series of inputs and activities that are anticipated to lead to an output that should address the underlying causes limiting development. These inputs, activities and outputs embody the proposed solution. Assuming they adequately address the underlying causes limiting beneficiaries from getting ahead, the expectation is that beneficiaries will respond in a manner that leads to anticipated outcomes and the hypothesized impact. In the pathway from inputs, activities and outputs to outcomes and impacts, a project should have an underlying logic, or theory of change, that articulates why the proposed solution will bring about the desired result.
11. While analysing the underlying causes of a development problem and proposing a solution based on the available evidence increases the likelihood of achieving a development objective, projects are merely hypotheses about how to address a development problem. The proposed solution should be verified, and the project provides the opportunity to learn if and why that solution is effective. This builds an evidence base on what activities are, and are not, effective and the reasons for success or limitations.
12. For projects to be a source of learning, they must be evaluable. Evaluability is defined as the "extent to which an activity or a programme can be evaluated in a reliable and credible fashion."⁵ Evaluable projects have a clearly defined logic and systems to generate the evidence for learning.
13. In summary, development effectiveness requires that: (i) country strategies identify projects that address key development problems; (ii) individual projects are designed at entry with a carefully articulated theory of change highlighting how

⁵ See note 3 above.

inputs and activities are expected to achieve impact; (iii) projects are evaluable to allow for the assessment of that theory of change; (iv) data collection systems are sufficiently planned at design to ensure that information on the success and limitations of projects is adequately collected; and (v) data collection systems are implemented along with the project.

III. Analysis of underlying constraints

14. IFAD projects have many of the elements for achieving development effectiveness. However, as highlighted in the introductory section, key aspects are missing, particularly the ability to systematically learn from experience.
15. To assess the underlying constraints to improving evaluability, an analysis was conducted with support from an external consultant.⁶ The analysis drew on consultations with IFAD staff, document reviews, self-assessments of project and wider portfolio performance, evaluations by the Independent Office of Evaluation of IFAD (IOE) and quality assurance reviews. Some key messages emerged from the exercise.
16. First, projects often lack a focus on learning and evaluability and their measurement systems are often imperfect. Stated project objectives are frequently broad and vague and the theory of change, or project logic, is too general. Without a clear intervention model that addresses the underlying causes of a development problem, it is difficult to identify where lessons can be learned.⁷ This weakness in project logic combined with the associated inadequate logframes and lack of detailed M&E systems for checking the accuracy of this logic means that learning is being limited by design practices. There are often too many indicators and, moreover, indicators frequently fail to meet SMART (specific, measurable, attainable, realistic and timely) criteria. RIMS data are often divorced from the project and not adequately integrated into logframes. Evidence suggests that in some cases the quality of information is an issue.
17. Second, underlying many of the problems in the current system is a deficient architecture of incentives, quality standards and compliance mechanisms. Logframes and M&E do not enjoy a consistently high level of attention throughout IFAD's quality-at-entry process. During design, the level of attention to articulating a theory of change, creating adequate logframes and planning M&E is by far inferior to that accorded, for example, to gender, economic and financial analysis, or climate change, for which significantly more robust project design support and a review and compliance apparatus are in place. Theories of change are rarely articulated and logframes and M&E plans are often perfunctory tasks addressed late in the process. Logframes are reviewed at the quality enhancement (QE) stage, but feedback in this regard varies in the overall comments prepared by lead advisers for discussion at the QE panel meeting. The QE compliance note subsequently prepared by country programme managers (CPMs) is not systematically checked, therefore it is unclear to what extent that feedback is being addressed and, where it is not, what the reasons are. Systematic review and feedback on the quality of project logframes and M&E are provided at the quality assurance (QA) stage, when little if anything can be done to address any identified shortcomings.
18. Third, a heavy burden is placed on CPMs who are almost solely responsible for final project documents. Ultimate responsibility for projects has fallen entirely on CPMs, despite the fact that project requirements and procedures have become increasingly complex over the last decade. Like other IFIs, IFAD has a range of

⁶ This was a lead economist in the Office of Strategic Planning and Development Effectiveness at the Inter-American Development Bank (IDB), who has experience in implementing reforms in the area of project evaluability.

⁷ The IOE Evaluation Manual: Second Edition (2015) underlines that getting the theory of change right is one of the basic conditions for a good evaluation and therefore sufficient time, effort and resources must be allocated for this, and expects that in newer IFAD projects, an explicit theory of change will have been developed.

such requirements, including the need to build projects on lessons learned, design M&E approaches, and conduct economic and financial analyses. The significant responsibility placed on CPMs – especially in the face of this complexity – is unusual among IFIs. A review of the major development banks shows that while a team leader is common, no single individual is responsible for project design. Instead, a project or task team are often explicitly named on project documents. While project design at IFAD includes input from the country programme management team (CPMT), external reviewers and participants in the project committees, none of these parties are directly accountable for their input. The complexity and the competing demands involved in this process make maintaining project quality challenging.

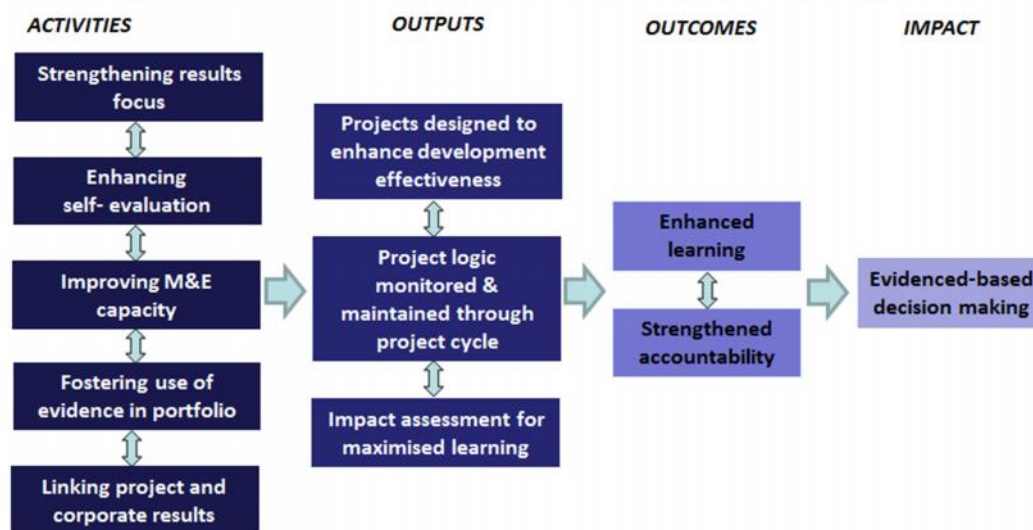
19. Fourth, there are often limitations in the knowledge base of IFAD staff and project management unit (PMU) staff on M&E, particularly, of impact assessment. Proposals for measurement and reporting of project outcomes and impacts exceed country and often project team capacities, and inadequate provisions are made to strengthen them. This limited knowledge can constrain country buy-in and recognition of the importance of logframes, M&E and outcome and impact measurement. This is also due to insufficient communication and sensitization of country counterparts by IFAD and/or failure to adapt proposals for measurement of project outcomes and impacts to conform to country M&E systems and practices. Understanding of impact assessment is a particular concern as it is a relatively new area and its implementation requires a degree of technical expertise. While IFAD staff and PMUs do not need a technical understanding of impact assessment, a certain level of knowledge is needed to enable them to work with technical partners.
20. Fifth, there is little value associated with developing logframes, the RIMS, M&E and impact assessment systems since, from a project implementer's point of view, this poses potential risks and offers few benefits. This reluctance stems largely from the general view that the primary purpose of these systems is accountability. This perception of M&E and impact assessment is unfortunate: failing to embrace these systems is a missed opportunity for learning that is beneficial for both current and future projects and is more critical than ever with governments asking for more knowledge, better policies and value for their money. Promoting projects that are designed using an evidence base requires acknowledging and promoting the learning benefits of M&E and impact assessment. Of course, these systems must be well designed to ensure governments see the link between these systems and learning.
21. Over the years, various initiatives to remedy logframe- and M&E-related shortcomings and improve outcome and impact measurement have been undertaken, but mostly on a regional basis, without a coherent framework, and with scant cross-fertilization of lessons and best practices across divisions. These vicissitudes have resulted in divisions adopting somewhat divergent methodologies and tools, and advancing faster (or slower) in the science and practice of outcome and impact measurement, ultimately reflecting a lack of a corporate vision and agenda in this sphere. IFAD therefore requires a comprehensive and coherent approach for measuring results.

IV. Theory of change: Framework

22. Given the noted constraints, in this section a framework for improving development effectiveness at IFAD is explained. The framework is underpinned by a theory of change that highlights the set of activities to be undertaken, the anticipated outputs from those activities and, finally, how these will lead to the intended impact of evidence-based decision-making. Figure 2 provides an overview of the theory of change. While the ultimate goal is to make development projects more likely to achieve their development objectives, the purpose of the framework is to ensure

the generation of evidence that is systematically used and collected in projects. Hence, the focus of the framework is on ensuring evidence-based decision-making.

Figure 2
Development effectiveness framework theory of change



23. The five interrelated activities necessary to facilitating evidence-based decision-making are listed below (and described in detail in the next section):
- (i) Strengthening the focus on results through the project cycle. The limitations in logframes and M&E approaches require that actions be taken to ensure that there is a focus on results at the design, implementation and completion stages of the project cycle.
 - (ii) Enhancing self-evaluation and accountability for results. Current governance and management systems of self-evaluation are insufficient. Actions that improve incentives for emphasizing results will guarantee that this focus is realized.
 - (iii) Improving M&E capacity in the rural sector. Without the necessary capacity and buy-in on the part of both the country and IFAD, it is unlikely that IFAD will achieve the necessary focus on results. A series of actions will be needed to build M&E capacity.
 - (iv) Fostering the use of evidence in portfolio management. Understanding IFAD's portfolio, analysing its potential impact and using this evidence in decisions will be critical for IFAD to build and use an evidence base. A specific set of actions will be taken to make this happen.
 - (v) Linking project M&E to corporate results reporting. M&E and impact assessment approaches must be designed to ensure both lesson-learning from individual projects and corporate results reporting. Actions must be taken to allow this possibility.
24. Combined these activities should overcome underlying constraints and push forward a results-based agenda that creates the necessary outputs for enhancing evidence-based decision-making. Three interrelated outputs are anticipated:
- (i) Projects that are designed in a manner that enhances development effectiveness. By strengthening the focus on results, enhancing self-evaluation incentives, improving country-level M&E, expanding the evidence base for project design and training staff, projects will be designed in a manner that enhances their effectiveness.

- (ii) Project logic that is monitored (and adjusted if necessary) and maintained through the project cycle. This will be realized by ensuring that projects are designed with a clear project logic, that logframes incorporate RIMS, that strong M&E systems are being used by trained staff, and that the self-evaluation governance system is enhanced through proper incentives.
 - (iii) Impact assessments that maximize learning. A well-designed system of project selection for impact assessment, trained staff that understand impact assessment and the implementation of a critical mass of impact assessments should enable significant learning to occur on what works and does not work and, most importantly, why. This can be used both to build an evidence base for future projects and to report on corporate results.
25. The combination of these outputs should lead to two key outcomes: (i) greater learning of lessons on individual projects; and (ii) strengthening of accountability, allowing IFAD to report a broader set of results as well as identify project-specific lessons. Ultimately, the generation of these lessons and accountable projects will enhance the ability of IFAD staff to make decisions on country programmes, projects and project components that are evidence-based, thereby achieving the desired impact: evidence-based decision-making.

V. Activities

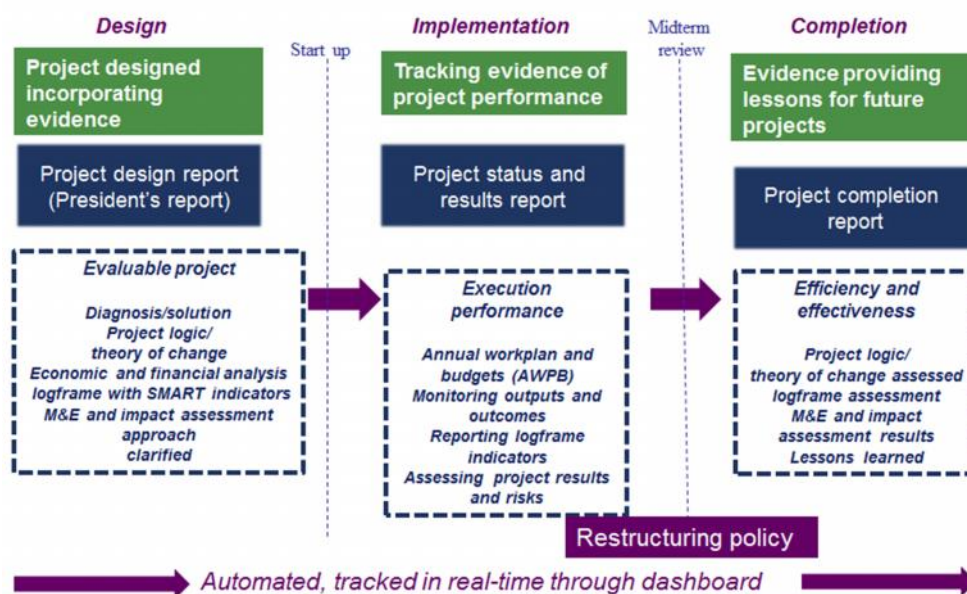
26. In this section, the specific activities for implementing the development effectiveness framework are presented, along with justifications for the proposed solutions to underlying problems.
- Strengthening the focus on results throughout the project cycle
27. Strengthening the focus on results requires: (i) enhancing the self-evaluation tools to ensure proper collection of information; and (ii) putting into place a development effectiveness checklist to ensure compliance and quality of project documents.
28. The limitations in logframes and M&E approaches will be addressed by introducing a results-based logic into the design and implementation of projects, ensuring that the project logic is articulated and assessed in the three key project documents: (i) the project design report (PDR) which is produced at the design stage; (ii) the project status and results report (PSRR) which is written during implementation; and (iii) the project completion report (PCR), which is finalized as completion is nearing. These documents are critical for ensuring that development projects have and maintain a logic and that project teams reflect on whether, based on this logic, the project achieved its hypothesized effects.
29. A key aspect of the framework is to ensure that these three documents assimilate the project logic and facilitate learning. In designing a project, evidence should be used to improve the likelihood of a project achieving its development objectives, and logframes should be created and M&E systems designed to confirm the proposed hypothesis. The PDR must reflect these elements. During implementation, project teams should reflect on and assess whether the project logic is still relevant by using information generated in the M&E system. The PSRR provides such an assessment. When completion is nearing, again using the M&E system, project teams should reflect on whether the project logic made sense in retrospect and articulate lessons learned based on this experience. The PCRs must then explicitly gather and present the evidence and draw lessons for future projects.
30. In order to ensure continuous and timely feedback on project progress, within the framework, the collection of data for projects will be tracked in real time from design through supervision, to completion. Among other things, this means that indicators in logframes, including RIMS indicators, will be digitized to allow them to

be readily accessed.⁸ The end result of these efforts will be readily available project information for evidence-based project decisions.

31. One potential outcome of having data in real time and carefully considering projects during the project cycle, particularly at the PSRR stage, is the realization that a project is not achieving the desired results. The project may therefore require mid-course correction and reconsideration of the approach. This in turn will call for a restructuring policy that identifies: (i) when a project adjustment is sufficient to merit reconsideration of the approach; and (ii) what actions need to be taken should a project need to be restructured.
32. Figure 3 summarizes the elements of an automated self-evaluation tool noting how it is linked to results and where a restructuring policy fits in.

Figure 3

Automated self-evaluation tools anchored to results



33. Ensuring learning from projects requires that key documents are organized to facilitate learning, but also that incentives are created to reward learning and to verify compliance. IFAD has systems to facilitate quality, but, as noted, the systems to enhance the quality of projects and verify and enforce these requirements have limitations. Further, the complexity of requirements makes it difficult to ensure that they are all adequately met. Checklists have been shown to help address complexity by minimizing errors, maximizing performance and ensuring quality of service delivery.⁹ A complementary action to the automated self-evaluation tool is the use of development effectiveness checklists (DECs) to ensure project compliance, quality and evaluability at the design stage.
34. The checklist will have two general components: one that verifies that IFAD is doing the right things, thereby ensuring a link to IFAD's results, and a second that verifies that IFAD is doing things right, thus confirming that projects meet quality standards that allow them to be effective. Table 1 summarizes the areas that will be covered in a checklist. On the results' side, the project must meet IFAD's overall requirements with respect to the country strategic opportunities programme (COSOP), the IFAD Strategic Framework 2016-2025 and the Sustainable Development Goals (SDGs), and address safeguard requirements and mainstreaming of issues such as gender, nutrition and scaling up. On the

⁸ This initiative is well underway with the support of the Information and Communications Technology Division.

⁹ See Atul Gawande, *The Checklist Manifesto: How to Get Things Right* (New York: Metropolitan Books, 2009).

effectiveness side, there will be verification that there is a proper diagnosis of a development problem, that the project logic and associated indicators make sense, that the M&E approach is clearly and adequately articulated, that the economic and financial analysis is consistent with the project logic and associated indicators and is of reasonable quality, and that an impact assessment plan is included if the project is to undergo impact assessment.

35. The checklist will include a series of questions under each topic, each of which will be weighted. The total value of the weighted items will add up to a specific number (e.g. 100), with a higher value indicating greater consistency with IFAD requirements. An initial checklist will be designed and piloted to ensure its relevance for projects and assess its value.

Table 1

Development effectiveness checklist components

<ul style="list-style-type: none"> • Consistency with the IFAD Strategic Framework 2016-2025 • Consistency with SDGs • Consistency with COSOPs • Safeguards are all met • Mainstreaming of key issues 	<ul style="list-style-type: none"> • Diagnosis of problem adequate • Project logic/indicators are reasonably done • M&E approach is well articulated • Economic and Financial Analysis is well done • Impact assessment plan is included, if relevant
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36. The proposed approach is for DEC's to be self-assessed by the CPMT and then validated at "arm's length" by the Operational Programming and Effectiveness Unit (OPE) (discussed more fully below) in coordination with QE and QA teams. In verifying the checklist, OPE guarantees that the noted elements are adequate. If OPE disagrees with the self-assessment by the project team, an explanation will be included. The scores provided by the project team and the OPE validation with comments, if any, will be presented with the project documents to QA. This model has been successfully used elsewhere, including at the IDB.¹⁰ However, the approach should be assessed to see if it functions as anticipated.

Enhancing self-evaluation and accountability for results

37. Strengthening the focus on results is a process that must be undertaken through the project cycle and requires adequate governance structures and clear lines of responsibility. Among IFIs IFAD is unusual in not having a designated entity to manage what are referred to as "back office functions". These include the regulatory function of establishing operational procedures (e.g. country strategies), self-evaluation guidelines (e.g. portfolio review), operational systems for tracking programme implementation (e.g. the Grants and Investment Projects System) and rules to ensure fair allocation of resources (e.g. the performance-based allocation system [PBAS]). These types of functions are highly structured and process-intensive. They need to operate with high reliability, low cost and little variance. As seen in box 1, back office functions at other IFIs are assigned to specialized divisions that provide support to the front office for the execution of corporate plans and goals.

¹⁰ An evaluation of the IDB's development effectiveness matrix by the IDB's independent Office of Evaluation and Oversight found the tool useful for sovereign guarantee loans, but offered suggestions for improvement. See IDB's [2011 Evaluability: Review of Bank Projects](#). These lessons can be used to build an IFAD-relevant checklist.

38. In recent years, the front office of the Programme Management Department (PMD) has played a critical role in ensuring compliance with corporate requirements linked to self-evaluation, but there has been no formal authority or clear IFAD-wide structure for working on the results agenda. Regional divisions clearly have a role, particularly through portfolio advisers, in managing the project portfolio and capturing evidence of results. The Strategy and Knowledge Department in its impact assessment function similarly plays a clear role. Unlike other IFIs, however, IFAD has no obvious coordinating unit to ensure that these activities occur.
39. Within the new framework, self-evaluation will be given more prominence and authority to expand learning and fulfil corporate requirements. OPE is being established as part of a PMD functional review towards this end. While OPE has multiple functions, key among these will be responsibility for improving operational effectiveness by fostering operational and portfolio management practices that focus on results and learning and embrace the use of evidence for decision-making. This includes managing the operational self-evaluation framework, advancing M&E practices in operations and Member States, reporting on results to Senior Management, the Board and its subsidiary committees, and to donors and stakeholders. OPE will also act as the interface between Management and independent evaluation, and foster harmonization with other partners, in particular IFIs. Figure 4 summarizes the self-evaluation function of the unit.

Box 1

Operational back-office functions in IFIs

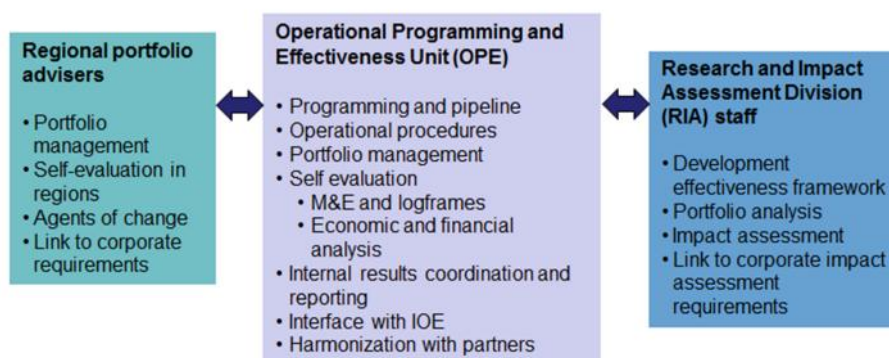
In the **World Bank**, the Operations Policy and Country Strategies Vice-Presidency is responsible for lending and non-lending policies, guidelines and systems, and heads the organization's self-evaluation and results management systems. It ensures effective operations programming and compliance, and leads all processes and systems related to operational risk management, including safeguards and procurement. The **International Development Association** performance-based allocation system is managed by the Development Finance Vice-Presidency.

In the **African Development Bank**, the Operational Resources and Policies Department is responsible for leading operational policy formulation, developing and upgrading operational guidelines and self-evaluation tools, and coordinating operations programming.

In the **Asian Development Bank**, the Strategy and Policy Department develops operations and self-evaluation guidelines and systems, ensures policy and operations coordination, and advances the development effectiveness agenda.

In the **Inter-American Development Bank**, the Office of Strategic Planning and Development Effectiveness is responsible for developing operational instruments and procedures, monitoring the quality control of the programme by setting quality standards and safeguards throughout the project cycle; monitoring and ensuring compliance with standards and operational procedures; and assessing the quality of corporate information systems.

Figure 4
Enhanced self evaluation governance and authority



40. Within IFAD, regional portfolio advisers are the stronghold of self-evaluation in the regional divisions, but their potential must be enhanced when institutional change is under way. Within the new self-evaluation governance structure, they would continue that critical role but would coordinate more closely with the new unit (OPE). Similarly, the staff of the Research and Impact Assessment Division (RIA) play a key role in designing the overall development effectiveness framework,

analysing the portfolio and assessing impact. Relevant RIA staff will also need to work closely with the new unit to ensure coordination of project and corporate outputs. The relationship between regional portfolio advisers, the RIA and OPE are highlighted in figure 4.

41. Even with a checklist to ensure quality of projects and enhance self-evaluation governance and authority, the growing burden falling on CPMs and the significant responsibility that they already shoulder (discussed above) raise questions about whether such an extensive undertaking should be assumed solely by them. To increase the incentives to ensure quality, the framework proposes that those providing technical input be assigned more responsibility for projects. A CPMT could be formed for each project. The team would have clearly defined responsibilities and include co-leadership between the CPM and the lead technical adviser from the Policy and Technical Advisory Division (PTA) or the Environment and Climate Division (ECD) as appropriate. This will ensure co-responsibility and thus accountability for project design and implementation. Options for altering the management structure of projects will be considered and piloted as part of the framework.

Improving M&E capacity in the rural sector

42. Without country capacity and buy-in, a sharper focus on results is unlikely to be successful. It is therefore critical to address the identified shortcomings vis-à-vis M&E and impact assessment in IFAD's partner countries. Training government counterparts through external partners will be essential. A key part of this framework will be collaboration between IFAD and the CLEAR Initiative to design a curriculum for a certification in M&E and impact assessment funded through the IFAD grant mechanism.¹¹ The training will be sufficiently IFAD-specific to ensure that the course material will be relevant for IFAD-type projects and will assist participants in meeting IFAD M&E and impact assessment requirements.
43. Two complementary actions are also envisioned to improve country capacity. It will now be standard practice to include a budget item that explicitly notes the costs for M&E, which should account for around 3 to 5 per cent of the total project costs. This was an explicit recommendation of the Annual Report on Results and Impact of IFAD Operations. These costs are often already included in project budgets, but identifying them as a distinct budget item underscores the importance of M&E and sends a clear signal to country partners.
44. To further enhance M&E, a systematic analysis of country M&E capacity in the rural development sector should be performed as part of the analysis conducted for COSOPs. This will provide an opportunity to understand how projects can be linked to country systems, if these exist, and how M&E systems can be established or strengthened. This type of assessment can also tap into IFAD's grant funding mechanism, allowing for the possibility of using funds to strengthen country systems.
45. Fostering the use of evidence in portfolio management will require IFAD staff to proactively obtain and use evidence in project design and promote its collection in project implementation. As with government counterparts, training CPMs and other IFAD staff in the generation and use of evidence is critical. Mandatory training is envisioned through an internal academy for CPMs to develop project management skills based on the use of evidence.

Fostering the use of evidence in portfolio management

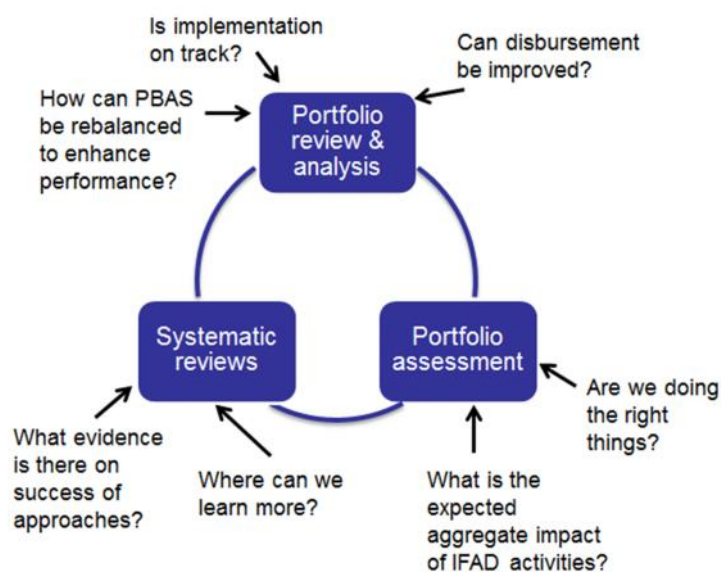
46. A key issue with the IFAD9 IAI was the assumption that IFAD investments necessarily have as a target "people moved out of poverty". Many projects – such as those that build resilience – do not have that objective and IFAD targeting may

¹¹ Information on the CLEAR Initiative can be found on its website www.theclearinitiative.org.

not necessarily include people living below the poverty line. Identifying adequate corporate-level indicators of IFAD success will mean reviewing and understanding IFAD's portfolio and analysing its potential impact. Only through a careful analysis is it possible to know the potential impacts of IFAD investment. Building on existing IFAD portfolio reviews will be a key part of the framework in order to systematically assess and understand IFAD's portfolio, determine its potential impacts and analyse its components.

47. Further, the framework also envisions conducting systematic reviews of key components of IFAD's portfolio to build an evidence base and create "evidence gap maps". Systematic review is a type of literature review that uses a transparent process to find, evaluate and synthesize evidence on a given topic.¹² Evidence gap maps use this information along with ongoing impact assessments to consolidate what IFAD knows and does not know about what works in a particular sector or sub-sector.¹³ By undertaking these exercises, project-relevant information will be generated to assist in the project design.
48. Figure 5 summarizes the set of activities envisioned as part of the systematic review. Currently the focus is primarily on reviewing the portfolio (the top box in the figure) and checking whether implementation is on track. The idea is to expand the scope to encompass a more systematic analysis of the portfolio and ask a broader set of questions.

Figure 5
Fostering the use of evidence in portfolio



Linking project M&E to corporate results reporting

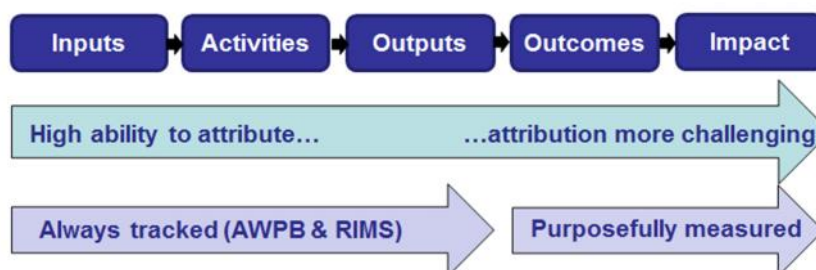
49. Adequately generating evidence requires reliable indicators that reflect IFAD's SOs and goals. For the last decade, the primary reporting mechanism for IFAD results has been the RIMS data system. The system has been of great value; however, data are often inadequately integrated into logframes and are at times incomplete. There are also issues with data quality. A key activity is therefore to reform the RIMS by cascading IFAD corporate goals through country programmes and projects and folding the RIMS into supervision reporting.

¹² See the Campbell Collaboration definition for details: www.campbellcollaboration.org/systemic-review/explore/systemic-review.

¹³ See 3ie's Evidence Gap Maps for details: www.3ieimpact.org/en/evaluation/evidence-gap-maps.

50. The framework will enhance the measurement of IFAD's success by revising the current set of indicators selected as well as the method of measuring those indicators. This will entail improving project-level logframes, the RIMS and the corporate RMF and ensuring that their indicators are coherent. At the project-level, logframes will be assessed via the DEC, to ensure that they reflect the project logic, corporate requirements and include the RIMS. The RIMS is being reformed to be more robust, strategic and relevant, and also simpler so that the RIMS indicators can be easily incorporated into logframes.
51. This process is already under way.¹⁴ The number of RIMS indicators is being reduced and rationalized in consistency with IFAD's SOs. RIMS indicators are being directly incorporated into logframes and M&E systems, and data collection will be managed through the systems noted previously. The RIMS will then be streamlined and strengthened to form a key component of IFAD's corporate reporting.
52. Of course, since RIMS is based on monitoring data, in most cases it cannot adequately capture the higher-level outcomes and impacts of IFAD investments. Figure 6 illustrates this point. For a given project, inputs, activities and outputs are under the control of project impelmenters: IFAD and its country partners knows what it does, how much it spends and also the immediate effect of that spending on beneficiaries. But outcomes and impacts are the result of the behavioural response of project recipients. For example, an IFAD project might train farmers in a new technology (output: farmers trained), but whether that farmer adopts the technology and improves crop yields and income depends on how he/she responds. Outcomes can be influenced by a number of factors beyond the control of the project, such as weather patterns and economic condition: increased incomes may be due to more rainfall or higher prices. Attributing outcomes and impacts to a particular project then becomes challenging.

Figure 6

Attribution and IFAD corporate reporting

53. Of course, techniques are available to attribute impact, for example those used as part of the IFAD9 IAI or the methods used by IOE in their impact evaluations. Yet impact assessment requires resources, and moreover, it is not possible in all projects due to the manner in which they are designed and implemented. Following the model used in IFAD9, a subset of IFAD projects will be selected for impact assessments and the results of this analysis will then be projected to the portfolio for corporate reporting.
54. Accordingly, the overall model is for all projects to have strong logframes incorporating RIMS indicators that are tracked over time. This information will be aggregated to report outputs at the corporate level as needed for given periods of time (e.g. a replenishment period). Corresponding data for impact indicators will be collected from a subset of projects through impact assessments and the results of this analysis projected to the portfolio. RMFs will include both outputs and impact

¹⁴ A cross-departmental working group to reform the RIMS was initiated in October 2015.

indicators. The next key area is to come up with a system for selecting projects and impact indicators to assess the impact of IFAD investment.

55. At the corporate level, an analysis of the IFAD portfolio is critical for identifying adequate impact indicators and targets. IFAD's Strategic Framework 2016-2025 has three SOs as follows:

- (i) SO1: Increase poor rural people's productive capacities;
- (ii) SO2: Increase poor rural people's benefits from market participation; and
- (iii) SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities.

These in turn are linked directly with the SDGs, particularly SDG1 and SDG2. Impact indicators and associated targets should reflect the SOs and targets used under the SDGs. Adequately selecting these requires analysing the portfolio as previously described.

56. Following the model used for IFAD9, to ensure that an adequate number of projects are analysed, the target for any replenishment period should be 15 per cent of the portfolio. To adequately attribute impact, impact assessments must be designed ex ante, that is, prior to project implementation. Doing so increases the probability of obtaining a counterfactual that allows for attribution and designing data collection to address relevant questions. Ex ante selection of projects for impact assessments will therefore be a priority. Of course, IFAD needs to work towards achieving a critical mass of impact assessments in the short run, therefore in specific cases where it may be valuable, impact assessments designed ex post will be used. Further, when possible and to answer specific types of questions – such as those linked to environmental issues – secondary data analysis will be used for impact assessments. The annex provides specific details on the IFAD10 plans during this transition period.
57. The projects selected for impact assessments will include those that display the potential for learning (innovative approaches or a clear evidence gap), are feasible for an impact assessment and have buy-in from the government. A working group will be created to ensure that the selected projects are representative of the portfolio and reveal gaps for additional assessments, with a view to gaining an understanding of how projects fit into the portfolio. The expectation is that selected projects will ultimately reflect the thematic and regional coverage of IFAD projects.
58. Finally, corporate reporting of impact will be conducted using projections to the portfolio as done under IFAD9. The primary differences with IFAD9 will be in the quality of underlying impact assessments and in a stronger understanding of the IFAD portfolio. The projections will provide corporate-level impact estimates of key identified indicators. Since impact assessment will focus on lessons learned, a synthesis of these lessons from the set of analyses will be provided. Figure 7 summarizes the IFAD impact assessment agenda.

Figure 7
IFAD impact assessment agenda

Measurement of impact	Impact assessment plan	Corporate reporting
<ul style="list-style-type: none"> ✓ Portfolio analysis and Strategic Objectives <ul style="list-style-type: none"> • SO1: Production • SO2: Markets • SO3: Resilience ✓ Indicators linked to SOs and SDGs ✓ Targets based on focus of portfolio 	<ul style="list-style-type: none"> ✓ 15% of portfolio with impact assessments <ul style="list-style-type: none"> • Focus on ex ante ✓ Project selection <ul style="list-style-type: none"> i. Learning ii. Feasibility iii. Buy-in iv. Portfolio distribution 	<ul style="list-style-type: none"> ✓ Impact: Projection to portfolio based on: <ul style="list-style-type: none"> • Portfolio analysis • Impact assessments ✓ Outcomes: Synthesis of lessons learned from impact assessments

IFAD10 impact assessment agenda

1. The Development Effectiveness Framework lays out the guidelines for moving forward with an impact assessment agenda. IFAD10 represents a transition phase in which IFAD must put this agenda into action. Doing so will mean first deciding on the focus of impact assessments and creating the institutional structure for integrating impact assessments into IFAD processes. The initial approach is proposed in this annex. Of course, the effectiveness of this approach should be carefully reflected upon and modified based on lessons learned during IFAD10 as, inevitably, unforeseen issues will emerge.
2. As indicated in the framework document, in moving forward, IFAD will be seeking to expand its focus on impact assessments that are designed ex ante and to ensure that 15 per cent of IFAD projects undergo an impact assessment. This is a long-term objective as it will take time both to identify projects for impact assessments and to implement the impact assessments in the field. Ex ante designed impact assessments require implementation of a baseline prior to investment in the field and then follow-up two to three years later, once the investment is under way in the field. This means that impact estimates and lessons learned from the analysis are available for three to four years after the initial investment, i.e. well beyond the IFAD10 period (2016-2018).
3. Given that ex ante impact assessments take time, during the three years of IFAD10, an additional 9 to 12 ex post impact assessments will be carried out – resources permitting – to ensure sufficient reporting for this replenishment period. These assessments are additional to the ex ante designed impact assessments envisioned for 15 per cent of the new projects. Reporting for IFAD10 will be based on these 9 to 12 ex post impact assessments as well as on the ex ante impact assessments that were initiated as part of IFAD9. Six IFAD9 impact assessments were initiated and some will be completed during the reporting period. Ideally a total of 12 to 16 impact assessments will be completed in IFAD10. The reporting will include, to the degree possible, estimates of the aggregate impact using the available results, and an update on where IFAD stands in pushing forward the impact assessment agenda in terms of the ongoing impact assessments during IFAD10.
4. As noted, part of the IFAD10 IAI will be designing the institutional approach for integrating impact assessments into IFAD processes. This includes considering a number of factors such as the selection of projects, roles of different IFAD departments and divisions, and budget. Each of these factors is discussed below.
5. The selection of impact assessments for IFAD10 will follow the criteria noted in the framework. For ex post impact assessments, an additional selection criterion will be the relevance of the impact assessment for subsequent projects. The reasoning is that a key value of impact assessment is lesson-learning that can feed into the design of a new project. To maximize this possibility, ex post designed impact assessments will focus on situations in which a follow-on project is likely.
6. The portfolio of projects for impact assessments will be selected by a working group led by the Research and Impact Assessment Division (RIA) and including a representative for each regional division and also for PTA and ECD. The exact composition of this working group is still to be determined. The working group will consider the projects currently being assessed and look for new projects that meet the noted criteria. The working group will also keep track of ongoing impact assessments to ensure that they are moving forward or address any issues that need to be resolved.
7. In terms of roles in the process, for a given impact assessment, RIA will provide technical expertise on conducting the impact assessment either directly, using RIA staff, or through designated partners with adequate expertise. If an external

partner such as a university or research institution is being used, RIA will act as an intermediary to ensure adequate communication between the project and impact assessment teams. To the degree possible, the questions to be answered in a given impact assessment should be driven by the country counterparts and IFAD project teams. Clearly, impact assessments must also incorporate the broader indicators used for corporate reporting.

8. Implementing an impact assessment requires: (i) technical expertise to design and undertake data collection, and to analyse the data and report on the outcome of that analysis and (ii) field data collection capacity to collect the necessary information. The costs of an impact assessment are linked to these two areas. Generally, projects should be responsible for funding the data collection as part of the project M&E budget. Although technical expertise is often expensive, the product of an impact assessment is a public good in that knowledge is generated for projects inside and outside that country. The budget for technical expertise would ideally come from impact assessment funds provided by IFAD and by outside parties supporting the initiative.