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FRAMEWORK FOR A RESULTS MANAGEMENT SYSTEM FOR IFAD-SUPPORTED COUNTRY PROGRAMMES

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I. INTRODUCTION

1.   The Governing Council, at its Twenty-Sixth Session in February 2003, called upon the Fund to establish a comprehensive system for measuring and reporting on the results and impact of IFAD-supported country programmes as part of a results management system that was described in section VI of document GC 26/L.4.[1] This call built on related recommendations in the IFAD V: Plan of Action (2000-2002), which highlighted a number of interconnected areas in need of improvement, including, inter alia, those concerned with impact assessment and learning through project implementation.

2.   IFAD management accordingly undertook to present for Executive Board approval by **December 2003** a detailed framework of a results management system for both new and existing projects. The proposed framework includes common indicators, baselines and categories for consolidation, with timelines and milestones for implementation. The common indicators, to be introduced for new projects as of 2004, are to be fully effective for the replenishment period 2004-2006. At the same time, the monitoring of ongoing projects will need to be strengthened over the short term by more systematically exploiting the information provided in project progress and supervision reports, and, over the medium term, by introducing a minimum set of common indicators for use in the monitoring and reporting systems of projects approved before 2004. An information note on progress made and difficulties encountered in developing, establishing and implementing the system will be submitted to the Eighty-Second Session of the Executive Board in **September 2004**. The first progress report on the project portfolio, to comprise consolidated information on the annual results achieved by major categories of projects, will be available for review by the Eighty-Fourth Session of the Executive Board in **April 2005**. As of that date onwards, the progress report on the project portfolio will also contain a brief account of progress made and difficulties encountered in implementing the system.

3.   The present paper constitutes the December 2003 deliverable – the first in a sequence of milestones.[2] While the initiative was formally taken in the context of negotiations on the Sixth Replenishment, it must be noted that the approach and system will be designed to generate benefits beyond the information needs of IFAD's donors and lead to better project management and greater impact achievement.

II. A CONCEPTUAL FRAMEWORK: AN INCLUSIVE RESULTS MANAGEMENT SYSTEM

4.   Many stakeholders are involved in measuring and reporting on results and impact for the purpose of results management. The **rural poor** demand a process that will allow them to participate in setting goals, achieving them, monitoring results and improving performance. They wish to see their livelihoods improve, and they want to secure returns on their participation in development programmes. **Project managers and service providers** rely on results management systems to plan their programmes and service delivery, monitor progress, and improve services and overall

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performance. **Policy-makers** are in an informed position to articulate a policy framework when they have access to knowledge on the results and impact of ongoing development activities. **Borrowing governments** make better-informed decisions on programme design, borrowing requirements, and procurement and disbursement management when results and impact are documented. **Development finance institutions** such as IFAD rely on results and impact information to plan their programmes and enhance the effectiveness of official development assistance. The sharing of results and impact information also facilitates the forging of partnerships, and supports catalytic roles and leverage. And the **donors to these development finance institutions** assess both whether taxpayers' money is being used effectively and whether there is a need for further donor support on the basis of available information on results and impact.

5.   The various stakeholders involved in results management have differing results and impact information requirements. Project managers/participants and governments have the greatest need for information on performance, and, as day-to-day management tools, the most far-reaching and detailed set of results and impact indicators. This information, however, tends to focus on specific projects and objectives. External development finance institutions focus on obtaining a more specific set of such information in order to be able to monitor performance in the context of the aggregated country programme portfolio, and to learn, improve, replicate and scale up. Here, the information focuses on the country programme and relates to the organization's strategic objectives: in IFAD's case, the strategic framework objectives. An even more specific sub-set of such information addresses the information needs of donors; this links the performance and strategic objectives of development finance institutions to the donors' broader goals, where the Millennium Development Goals (MDGs) feature prominently.

6.   Individual stakeholders also manage different processes by means of specially designed methodologies. The project manager adopts management tools that support planning and implementation. The development finance institution adopts methodologies for project design, supervision, implementation follow-up, review and evaluation. The consistency of these different processes and methodologies, in support of agreed results and impact, is essential for effectiveness, for coherent results management, and for consistent measuring and reporting on impact.

7.   If the effort to establish a system for measuring and reporting on the results and impact of IFAD-supported country programmes is to be meaningful, a number of conditions for system design must be fulfilled:

(a) All stakeholders must be involved, and their results and impact information needs specifically addressed. Ownership at all levels, especially in-country, is essential.

(b) The results and impact information chain must start where the hoped-for results are planned and subsequently achieved. Any valid results management system must start at the project level. Results are owned by the rural poor and the project managers: they are central. The strength of the results and impact information pyramid is a function of the solidity of this foundation. If the system for measuring and reporting on results and impact fails to lead to greater on-the-ground benefits for the rural poor and to better project management performance, a core purpose of the effort will have been defeated.

(c) The different processes and methodologies adopted by stakeholders often lead to a divergence of information on the results and impact of projects. Results and impact contracts among all stakeholders will ensure that the different processes and methodologies lead, transparently, to converging reports on results, not least because the methodologies can build on each other. With agreed results and impact objectives, project management will be able to support progress reporting, which will in turn facilitate supervision, inform evaluation, and enhance the cost-effectiveness of the different processes. If all stakeholders in a given project, especially external donors, subscribe to the

same results contract, adopt common results and impact indicators, and accept the same report on results and impact, a large part of the donor harmonization objectives, as agreed in Rome in 2002, will have been achieved. Impact will be enhanced and the transaction costs of aid reduced.

(d) The results and impact of country programmes should not relate *only* to direct poverty reduction for rural people: programme results and impact on institutions (organizations and policies), in terms of greater inclusiveness of the rural poor, must also be part of IFAD's results management approach.

(e) Finally, measuring and reporting on results and impact will be of little or no use unless such action is part of an overall results management system. IFAD needs to plan for results (together with its partners, especially in-country), achieve them, measure and report on them, and use them to improve performance. What is needed, therefore, is an integrated results management system that involves the negotiation of results and impact contracts and agreement thereon, as well as project planning and implementation, progress reporting, supervision, implementation support and evaluation. Much is happening within IFAD in the area of results management and reporting, but it will need to be: systematized (all projects); strengthened (predictable quality); deliberate and enforced (part of the Fund's basic business requirements, driven by the purpose of enhanced effectiveness); harmonized (for compatibility of methodologies and comparability of results); and rendered comprehensive and integrated (throughout the project cycle, with continuity). The resulting knowledge should then be disseminated.

8. The emerging integrated results management system of IFAD has a number of different mutually supportive elements, as follows:

(a) **Ex ante management for results** (upstream country programme development) is secured in three ways. The new strategic planning and resource allocation process links the use of IFAD's resources to an agreed hierarchy of objectives and institutional priorities for the organization, and relates resources to results.[3] The Performance-Based Allocation System (PBAS) allocates resources to country programmes on the basis of an assessment of the likelihood that the financing provided will effectively lead to sustainable rural poverty reduction based on criteria that include the macro-, sectoral and meso- policy framework, governance, and the extent and depth of poverty. Furthermore, IFAD's participation in international fora on rural poverty reduction policy secures a global dimension in ex ante management for results in pro-poor policy transformation. This supports subsequent country programme-level results.

(b) **Real-time management for results** is catered to through the continuum of the country strategy development process, project development and implementation support, supervision and follow-up, project and portfolio reviews. These processes, which are 'internal' to IFAD, are interwoven into external processes for results management that comprise implementation planning, implementation for results, progress reporting, and project completion reporting. These processes privilege effectiveness and **accountability** for results. The Project and Portfolio Management System (PPMS), Project Status Reports and Country Portfolio Issues Sheets constitute the supporting management information system tools. The annual progress report on the project portfolio constitutes the supportive dissemination tool.

(c) **Ex post management for results** is addressed through the independent impact evaluation process (interim, completion and country portfolio evaluations). Although these processes

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[3] See the Programme of Work and Administrative Budget for 2004 of IFAD and its Office of Evaluation.

tend to be external and ex post, they privilege **institutional learning**, which enhances future performance and results. Knowledge management through thematic groups and other institutional fora for sharing knowledge and learning are also part of ex post management for results. The annual report on IFAD's impact and effectiveness, prepared by the Office of Evaluation, constitutes the supportive dissemination tool.

9. While management for results is an integrated process, the focus of the present paper is on the **real-time management for results** part of the compact (see paragraph 8(b)). Other operational policy development processes and papers deal with the other elements of the compact.

III. A SYSTEM OF RESULTS AND IMPACT INDICATORS

10. First and foremost, management for results (including the measuring of and reporting on results and impact) calls for agreement on a coherent system of relevant concepts, definitions and results and impact indicators.

11. **What are 'results' and 'impact'?** This paper does not attempt to develop a new definition of results and impact: many definitions are available on the market. Box 1 provides the definitions of the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) and of IFAD's independent Office of Evaluation (OE) (see the Methodological Framework for Evaluation (MFE)). For the purpose of this paper, impact will consist of "changes in the lives of the rural poor, intended or unintended, to which IFAD's interventions have contributed", in line with the MFE definition.

Box 1. Results and Impact Definitions

- **DAC definitions:**

  - **RESULTS: The output, outcome or <u>impact</u> (intended or unintended; positive or negative) of a development intervention.**

  - **IMPACT: Positive and negative, primary and secondary, <u>long-term</u> effects produced by a development intervention, directly or indirectly, intended or unintended.**

  - **EFFECTS: Intended or unintended changes due directly or indirectly to an intervention.**

  - **OUTPUTS: The products, capital goods and services that result from a development intervention; may also include changes resulting from interventions relevant to the achievement of outcomes.**

  - **OUTCOMES: The likely or achieved short-term and medium-term effects of an intervention's outputs.**

  - **SUSTAINABILITY: The continuation of benefits from a development intervention after major development assistance has been completed. The <u>probability</u> of continued long-term benefits. The <u>resilience to risk</u> of the net benefits over time.**

- **Definition of IFAD's Office of Evaluation**

  - **IMPACT: Changes in the lives of the rural poor, intended or unintended - as perceived at the time of the evaluation – to which IFAD's interventions have contributed, as well as the likely sustainability of such changes.**

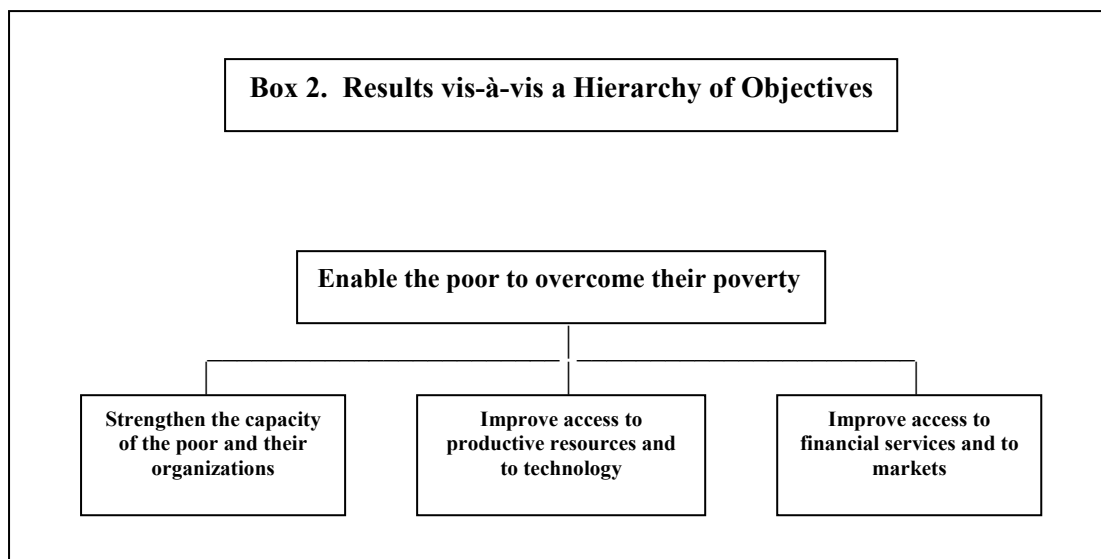12. IFAD's results management system will adopt the above definitions and operationalizes them as follows:

(a) **First-level results (outputs)**: Development programmes first achieve financial and physical results, mostly expressed in terms of numbers and percentages (e.g. number of deep tubewells sunk). Existing measurement systems tend from the outset to be relatively effective at reporting these results, which, in most projects, are many and constitute the bulk of management information.

(b) **Second-level results (outcomes)**: Outreach and numbers are not good enough. Development programmes must ensure that financial and physical results are matched by improved functionality and behavioural change (e.g. number of deep tubewells sunk and managed for irrigation purposes by farmers after two years). First-level results tend to be quantitative and answer questions such as "what and how much"; second-level results become more qualitative, answering the questions "why and how". These results tend to take more time to realize (than first-level results), and require a different and more complex measuring and reporting system. This level of results, which often requires that quantitative information be complemented by qualitative assessments, is difficult to aggregate. The results also tend to be fewer in number; but they are critical for assessing and managing the quality of project services – a key element of management information.

(c) **Third-level results (impact):** The previous level of results contributes to impact in terms of achieving the higher-level goals of a development programme, with a degree of probability and over time (e.g. increased productivity of irrigated crops leads to increased assets and improved nutrition).

13. IFAD's results management system will be based on the foregoing three-tiered structure of results. However, it is to be noted that results and impact management relates not only to direct impact on poor people, but also, and increasingly so, to impact on local, national, regional and global institutions (policies and organizations) as a matter of sustainability, scalability and leverage, and to indirect impact on people.

14. **Results and impact vis-à-vis which objectives?** Management for results calls for reaching agreement on the hierarchy of objectives to be achieved.

15. IFAD is fully commited to helping achieve the objectives of the **MDGs** (eight goals, 18 targets and 48 indicators). The MDGs give international recognition to the centrality of the priority poverty reduction goals of the rural poor themselves – as expressed in one participatory needs assessment after another – and, for the first time, constitute a formal global consensus that development is about reducing poverty. MDG 1, to reduce by half the number of people living in poverty and hunger, is a goal to which IFAD contributes directly through its portfolio of projects in support of production and income generation. Increased income is often invested in better diets, health care, education (especially for girls), and sanitation and housing; it also enhances governments' ability to offer the respective social services. IFAD also contributes to MDG 1 by improving the nutritional status of children by empowering and improving the well-being of women, whose education and status are highly correlated to child nutrition. In so doing, IFAD also contributes to the attainment of MDG 3, which relates to gender equality and the empowerment of women. IFAD also works – albeit to a lesser extent – to achieve the objectives of the MDGs concerned with social development, often in partnership with others (e.g. the Belgian Survival Fund and the United Kingdom Department for International Development). However, in any given country, IFAD cannot by itself attain the MDGs – not even just MDG 1. This task is bigger than IFAD, beyond its scope, outside its reach. That is why impact on local, national, regional and global institutions (policies and organizations), beyond impact on people, is so critical for the purpose of generating multipliers for IFAD-supported programmes.

16.   The **first level** in the hierarchy of IFAD's direct objectives is the organization's **mission** to contribute to the MDGs by enabling the rural poor to overcome their poverty. According to IFAD's strategic framework, "enabling" implies "developing and strengthening the organizations of the poor to confront the issues they define as critical; increasing access to knowledge so that poor people grasp opportunities and overcome obstacles; expanding the influence that the poor exert over public policy and institutions; and enhancing their bargaining power in the marketplace." At the **second level**, IFAD will enable the rural poor to overcome their poverty by pursuing **three strategic objectives** (see Box 2).

Box 2. Results vis-à-vis a Hierarchy of Objectives

Enable the poor to overcome their poverty

Strengthen the capacity of the poor and their organizations	**Improve access to productive resources and to technology**	**Improve access to financial services and to markets**

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17.   The MDGs, IFAD's mission statement and the strategic framework objectives constitute the cornerstone of IFAD's results management system. This hierarchy of objectives defines the results and impact framework for the country programme, which in turn provides the strategic framework for subsequent specific projects.

18.   **Supporting results management with a system of logframes.** At the centre of IFAD's results management system will be the organization's hierarchy of objectives and a three-tier results system. One of the tools most widely used for managing such a system, the logical framework (logframe) is an inclusive process that comprises stakeholder analysis, problem-tree analysis and definition of a hierarchy of objectives. It is a communication support tool among stakeholders and a tool for inclusive results-based management. The process is as important as the product. The logframe must be dynamic, living and evolving in the light of changing circumstances and development.

19.   As shown in Box 3, the logframe for the entire portfolio (an aggregation of all country-specific lending programmes) captures, in its columns: the hierarchy of objectives; the three tiers of results; the system required to report on results; and the critical assumptions that need to be borne out to ensure that higher-level objectives are achieved – even though these conditions may not be within IFAD's full control. IFAD has adopted the logframe as a results-planning tool, but the quality and effectiveness of its use as a management tool varies considerably. The effectiveness of IFAD's results management system hinges on improving logframe processes, ownership and quality and on their effective use as a living management tool.

Box 3. A Logframe for IFAD's Lending Programme

MDGs

	Strategy/ Hierarchy of Objectives	Measurable Indicators	Learning System	Critical Assumptions
Goal	One mission statement for IFAD	Impact	PBAS Completion evaluation	Impact on global institutions
Purpose	Three strategic framework objectives	Second-level results	Report on results and impact Evaluations	Impact on national and sectoral institutions
Outputs	Project components	First-level results	Project status report PPMS Reviews	Impact on people
Activities	Project activities	Financial and physical targets	Annual work programme and budget Progress reports Supervision reports	Quality: • at entry, • of strategy and policy work • of supervision

20.   **Organizing principle for reporting on first-level results.** The two upper levels of IFAD's hierarchy of objectives (the goal level of IFAD's mission; and the purpose level of the strategic framework objectives) are fully internalized within the Fund (see Box 3). For the results management system, an equally clear understanding of the two lower levels in the logframe, that is, the output and activity levels, will be needed.

21.   IFAD traditionally classifies information by project type (rural development, agricultural development, rural finance, fisheries development, etc.). However, this classification does not reveal, for instance, significant rural finance or marketing activities **within** fisheries development projects. This shortcoming takes on greater importance in the light of specific strategic framework objectives, and the need to report on the results and impact of the entire portfolio. For the purpose of reporting on first-level results (at the outputs level, and as a basis for second-level results at the purpose level), IFAD's results management system must organize information on the basis of component types rather than by project type, as indicated in Box 4 below. These component types, placed in **alphabetical** order, result from the simple clustering into 13 categories of the more than 50 component types that constitute IFAD's entire portfolio, except for some components that recur only from time to time. Because of the importance of policy and institutional change to IFAD, and while institutional development constitutes a component in its own right, institutional transformation is also a second-level result of other components, as will be reflected in the results matrix. These 13 categories are merely organizing principles for information on results by component (and impact by project). They are not intended to prejudge the strategic objectives of country programmes and projects or to impose elements of programme design on project authorities.

Box 4. Hierarchy of Objectives for Lending Programme	
One Mission	1. Enable the rural poor to overcome their poverty
Three Strategic Framework Objectives	1. Strengthen the capacity of the rural poor and their organizations 2. Improve equitable access to productive natural resources and technology 3. Increase access to financial services and markets
Components	1. Human capital development for rural households 2. Institutional development (institutional transformation, policy change) 3. Management and coordination (including monitoring and evaluation) 4. Marketing, storage and processing 5. Natural resources management 6. Research, extension and training 7. Rural community development 8. Rural enterprises development 9. Rural financial services 10. Rural infrastructure development 11. Smallholder agriculture development 12. Smallholder livestock development 13. Small-scale fisheries development
Project Activities	Project sub-components

22.   The proposed IFAD results management system, and its reporting on results and impact, will be based on the components listed in Box 4. In the logframe for IFAD's lending programme, these components come at the output level (below the purpose and goal levels), and the first-level results relate to this level in the hierarchy of objectives. Great care has been taken to ensure that IFAD's results management system, and its reporting on results, would not only support the MDGs and the strategic framework objectives but also cover the impact domains of the MFE.[4]

23.   **The system of results and impact indicators.** The next step in developing the results management system will be to identify the specific results and impacts that IFAD wishes to achieve under its lending programme in order to fulfil both its hierarchy of objectives and their indicators. However, a word of caution is called for here. At the outset, IFAD promotes poor people's engagement in assessment and evaluation, and, indeed, their crucial role in defining relevant objectives and outputs. This inevitably cautions against a top-down definition of results. It is also important to realize that projects supported by IFAD are not IFAD projects. Therefore, there is no

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[4]   The MFE retains six impact domains (with three overarching factors – sustainability, innovation and replication/scaling up): (i) Physical and financial assets: farmland, irrigation water, trees, livestock, etc.; housing, radios, bicycles, etc.; roads, storage facilities; savings and credit; (ii) Human assets: potable water, health services, primary education, adult literacy, professional skills; (iii) Social capital and people's empowerment: availability and strength of grass-roots organizations and institutions; access to information and knowledge; bargaining power in the marketplace; rural emigration; (iv) Food security (production, income and consumption): farm technology and practices; cropping area, yields and production mix; non-farm employment and income; frequency and magnitude of seasonal food shortages; household consumption; (v) Environment and common-resource base: status of land, water, forest, pasture, fish stock, etc.; compliance with national environmental guidelines; measures to arrest environmental degradation; (vi) Institutions, policies and regulatory framework for: rural finance; decentralization; farmer organization; public institutions and service providers; in addition to the cross-cutting concern for gender equality: primary education for girls; rural women's organizations; women's access to financial services.

simple, direct chain of command from IFAD to the project managers. IFAD negotiates with high-level government officials and local authorities directly responsible for project implementation. Each group of stakeholders has a different set of interests (at the outset) in impact reporting. This is fundamental, because what IFAD obtains depends on what the stakeholders do. Historically, project-level monitoring and management information systems have not worked well. Therefore, the way forward is contingent both on defining an ideal system and on solving practical issues by reaching agreement and making sure those agreements are acted upon.

24.   A large number of results and of impact indicators are available for each of the 13 components retained for IFAD's results management system. Care should be taken to be selective so as to ensure feasibility, cost-effectiveness and timeless of the results-monitoring and reporting system. As well as being supportive of the MDGs, IFAD's mission and the objectives of its strategic framework, the criteria for the selection of results and impact indicators include: measurability; pertinence; accuracy and robustness; sensitivity to change; universal validity; culture neutrality; and scope for aggregation. The design of the indicators should also reflect the respective sectoral industry standard. Where appropriate, results and impact indicators must be gender- or sex-disaggregated, as this reflects both a crucial IFAD objective and the organization's contribution to MDG 3 (gender equality and empowerment). Furthermore, a few results and impact indicators should be mandatory for each project. As such, they become anchor indicators for IFAD's results management system. Anchor indicators consist of a short list of critical indicators based on objective, comparable data linked to the MDGs. These indicators are not intended to replace qualitative information but to provide a base around which the qualitative information can complete the explanatory framework. Finally, the results management system will need to allow for the inclusion of explanatory text against qualitative results and impact indicators that cannot always be aggregated.

25.   The annex provides a table of proposed **first-level and related second-level results** by cluster. Emanating from these results is impact, the selected indicators of which are shown in Table 1 below. Table 1 and the annex must be seen as one single integrated system for reporting on results and impact in the context of IFAD's results management system. The results indicators shown, virtually all of which have been drawn from existing logframes within IFAD, may need to be further developed on the basis of experience.

Table 1. System of Results and Impact Indicators
(disaggregated by gender, where relevant)
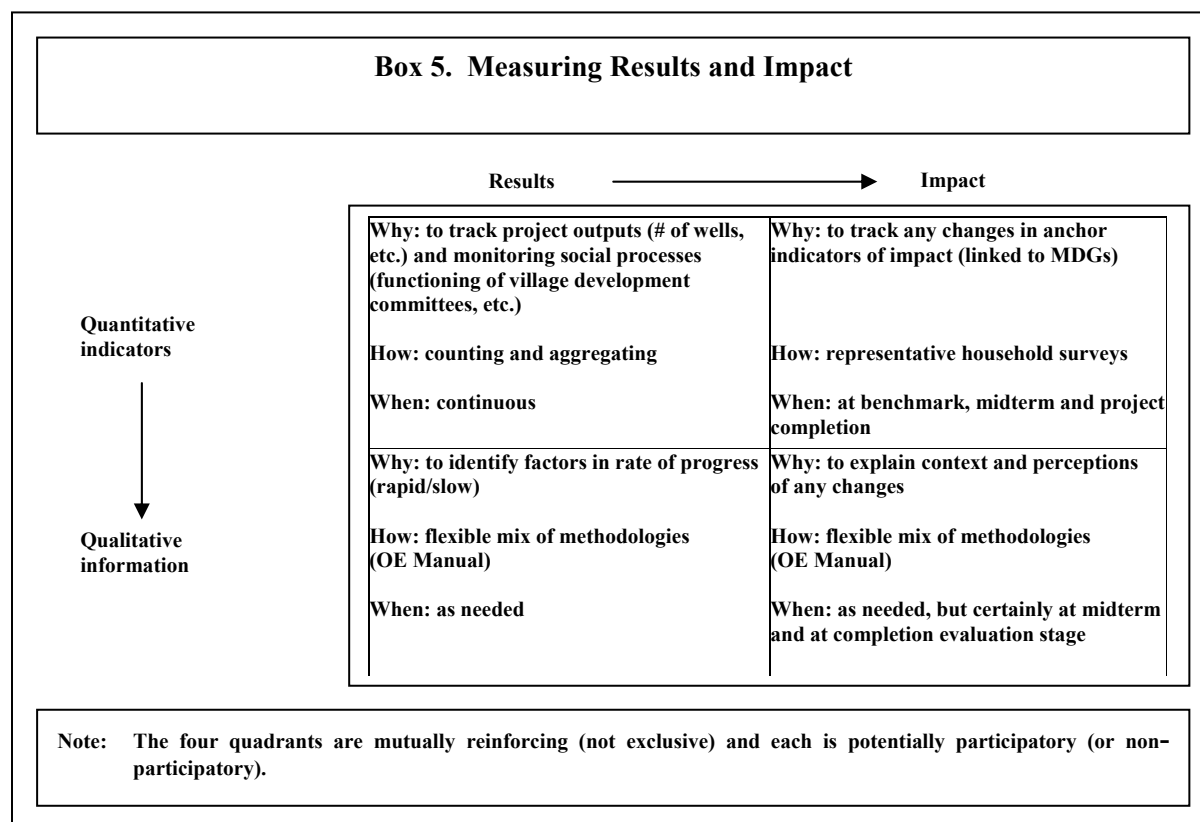
Impact

Number of	Households with improvement in household assets ownership index, based on additional assets (productive assets, bykes, radios, improved housing, tin roofs, etc.) 1/
% of	Reduction in the prevalence of child malnutrition (weight for age) 2/
% of	Reduction in the incidence of infectious disease (HIV/AIDS, malaria, tuberculosis) (MDG 6)
%	Literacy rate (by gender)
%	Ratio of literate females to males
Number of	Children completing primary/secondary school (male/female)
%	Net enrolment ratio in primary education
Number of	People with access to improved sanitation
Number of	People with sustainable access to an improved source of water (drinking water)

The two anchor indicators of impact – MDG 1-related:

1/   For all projects, as indicator of poverty (evolving United Nations Children's Fund methodology, to be complemented with productive assets that will create income in the medium to longer term).
2/   For all projects, as indicator of hunger.

26.   Table 1 and the annex indicate the system of results and impact indicators upon which IFAD will report on yearly and in an aggregated manner. These are the results and impact indicators that project managers, supervision missions and reviews **must** report on, for the **relevant** components, on at least an annual basis (with the exceptions described below). Projects will be expected to adopt the appropriate first-level results, in addition to the second-level results and the impact indicators as part of results and impact contracts, and to incorporate them into monitoring and evaluation (M&E) systems. Indicators on institutional transformation (policies and organizations) will also be part of the normal reporting and related to the PBAS. Over and above that which IFAD needs for its reporting purposes, project managers will naturally continue to rely on the larger systems of results and impact information they require for the day-to-day results-based management of their specific projects; and IFAD will continue to support them in this effort. Setting up a results management system in IFAD will help to clarify, streamline and simplify reporting obligations.

27.   **Measuring results and impact.** Table 1 and the annex describe the results and the impact indicators and their measurement (number, percentage, value, ha, km). However, while the first-level results are relatively simple to measure, quantify and aggregate for reporting purposes, the second-level results and the impact indicators are more complex and more qualitative, and require both different methods for measurement and more narrative for reporting. Box 5 summarizes the different approaches to be adopted.

Box 5. Measuring Results and Impact

Results ⟶ Impact

	Results	Impact
Quantitative indicators	Why: to track project outputs (# of wells, etc.) and monitoring social processes (functioning of village development committees, etc.) How: counting and aggregating When: continuous	Why: to track any changes in anchor indicators of impact (linked to MDGs) How: representative household surveys When: at benchmark, midterm and project completion
Qualitative information	Why: to identify factors in rate of progress (rapid/slow) How: flexible mix of methodologies (OE Manual) When: as needed	Why: to explain context and perceptions of any changes How: flexible mix of methodologies (OE Manual) When: as needed, but certainly at midterm and at completion evaluation stage

Note: The four quadrants are mutually reinforcing (not exclusive) and each is potentially participatory (or non-participatory).

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28.   **Reporting on results and impact.** Together with the progress report on the project portfolio, IFAD will submit aggregated reports to the April sessions of the Executive Board on the above-mentioned results and indicators of impact. These reports will be complemented by OE's annual report on results and impact. The reporting on qualitative results and impact indicators, or on indicators that require different and non-annual methodologies, will follow a different periodicity, specific to the methodologies selected.

29.   For individual projects, results and information concerning such results will be managed with the matrix structure shown in Table 2.

Table 2. Reporting on Results and Impact at the Project Level

	Baseline Position	Agreed Appraisal Target (and where relevant, Intermediate Targets)	Annual Achievement (Progress Made)	Cumulative Result or Impact
Result or Impact Indicator Concerned				

30.   The aggregated report on results and impact will thus be as shown in Table 3.

Table 3. Reporting on Results and Impact at the Portfolio Level

	Aggregated Appraisal Targets	Aggregated Baseline Positions	Aggregated Annual Achievements	Aggregated Cumulative Result or Impact of the Effectively Ongoing Portfolio
Result or Impact Indicator (name)				

31.   In principle, aggregated reporting will relate to the portfolio of effective and ongoing projects (excluding those that are closed or not yet effective), currently about 220 interventions for which the remaining implementation period ranges from one year or less to ten years. The aggregate report will cover the results and impact of entire projects and will not distinguish between IFAD financing, government counterpart funding or external cofinancing.

32.   The other limitation on aggregated reporting relates to projects that were initiated by cooperating institutions and in which IFAD is not a major financier. For instance, for large cooperating institution-initiated projects with limited IFAD cofinancing, reports on results and impact will be inflated by large non-IFAD investments that generate results not attributable to the Fund's portfolio – although attribution remains a serious general problem that cannot be addressed in this effort. While these projects continue to be crucial instruments in IFAD's partnership-building strategy, they will not be included in the aggregated report on results and impact.

IV. A SYSTEM FOR PLANNING, ACHIEVING AND MEASURING RESULTS AND IMPACT

33.   Finally, management for results requires a well-conceived, coordinated system for planning and **achieving** the desired results and impact. A number of measures will need to be taken, as follows:

A. Improve the Logframe Processes to Support Management for Results

34.   Central to this effort is the need for all in-country and 'external' stakeholders to make more effective use of the logframe (the inclusive process, the communication tool and the living output, as described above) throughout the project cycle (the design, implementation planning and implementation, supervision and evaluation process). The quality of the in-country logframe development processes and of the logframes themselves, and their quality assurance and control processes should be enhanced. A contractual country-level logframe at the Country Strategic Opportunities Paper (COSOP) stage will need to become a solid base for developing project-specific logframes. The need for the Key File and the logframe to play a cornerstone role in the results management system has a number of implications for managing the project cycle to strengthen IFAD's management for results. The framework for impact and results management will seek to build on, and add value to, the IFAD project design and implementation continuum. This is designed to support management for results and impact, and for more systematically reporting on results and impact across the portfolio. The proposed framework does not call for any radical change in the present processes but rather for improvements that focus on results and impact. The role of these processes in impact and results management is briefly set out below (see Box 6).

Box 6: Results Management throughout the Programme Cycle
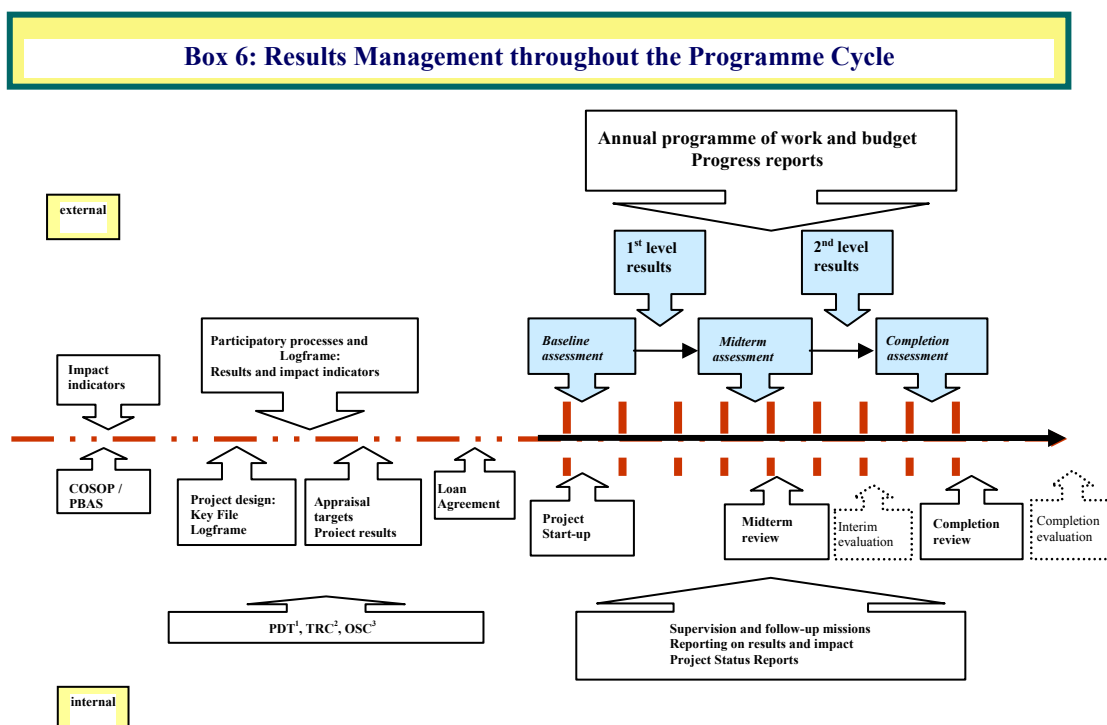
Notes: 1/ Project Development Team
            2/ Technical Review Committee
            3/ Operational Strategy Committee

35.   **COSOP**. Logframes (with focus on the goal and purpose level) are currently prepared for each COSOP, and projected areas for programme interventions form the basis for the output level of the logframe. The appropriate framework impact/results indicators will be incorporated into the COSOP logframe, with emphasis on second-level results related to the strategic framework objectives and on impact indicators related to the MDGs. The link between the proposed interventions and IFAD's

strategic objectives (and the MDGs) will be clearly demonstrated in this context. PBAS provides the basis for financial allocations under COSOPs, and it is anticipated that, over time, the framework will contribute to the overall knowledge base on which PBAS allocation decisions are taken.

36. **Project design**. Participatory processes will continue to be used to elaborate project design. Logframes will include indicators and measures that stakeholders have agreed on, as well as specific relevant framework indicators (first- and second-level results, and project-specific impact indicators). It should be noted that the framework indicators are not the *only* indicators to be included in the logframe, but are those for which regular reporting will be mandatory. Agreement on these framework indicators will be reached with governments through, inter alia, stakeholder workshops and design reports. In-house endorsement of the framework indicators will be sought during the design phase, e.g. at the Technical Review Committee and the Operational Strategy Committee. The appraisal reports will include an estimated target for each selected first-level result and impact indicator. The first-level targets will generally provide estimates of physical progress, while those at the level of impact will be normally expressed in relation to numbers of households/persons.

37. **Loan agreement.** A clear results and impact statement linked to the proposed results management framework will be incorporated into loan agreements as part of the objectives statement. Contractual agreement on the specific framework indicators appearing in the final design document will be sought at loan negotiation. IFAD's *General Conditions* already include provisions vis-à-vis implementation reporting and information (Sections 8.01-8.06), under which reporting on the framework indicators will be covered. However, it is expected that future loan agreements will make reference to reporting on 'agreed framework indicators'. It would not be advisable to formally include a list of project-specific framework indicators in the loan agreements, but consideration could be given to including such a list in the minutes of loan negotiations. The 'Letter to the Borrower' will also highlight this agreed results and impact statement. The letter of appointment for cooperating institutions will flag the same. IFAD will support related reporting requirements, with appropriate and integrated reporting formats for each step and sub-process in the project cycle.

38. **Project start-up.** During start-up, the focus will be on setting up a logframe-driven impact management and monitoring system (processes and information technology (IT)) that effectively supports results-based project management. While the *Guide for Project M&E* will contribute to improving the quality of monitoring, the detailed approach to it will continue to be context-(project) specific and may require additional support from IFAD. Greater effort will be needed to ensure that IT systems are structured to respond to the needs of results/impact management. Baseline assessments, normally undertaken before project investment activities commence, will form the basis for assessing impact achievement. It should be stressed that baselines that describe poverty status at the beginning of project implementation and against which subsequent impact will be measured, will be undertaken no earlier than the first year of effective implementation.

39. **Project implementation.** Activities carried out during the first half of implementation will generally lead to the realization of first-level results. As such, most projects will begin to report first-level results as of the second year of the project. The report on the achievement of targets, first set out in the appraisal report and subsequently revised in annual programmes of work and budget, will serve to guide supervision and follow-up missions. In addition, supervision missions will be requested to validate the results reported by project management units. A more qualitative discussion of the results – including lessons learned – will be included in progress reports and in the annual project status reports prepared by the IFAD country portfolio manager. The focus of reporting on results leading to impact is expected to enrich the overall project and portfolio management process.

40. Normal midterm review (MTR) exercises will be complemented by midterm assessments. These assessments should take place some time before the MTR so that their findings can be used to guide decisions on future project activities and outputs. Framework indicators and targets may need to be reviewed at this time in the context of the logframe review.

41.   While projects will continue to report on first-level results, second-level results will become apparent during the second half of implementation. While some results may be already available during early years, sustainability and replicability will become evident only in later years.

42.   **Completion**. A completion assessment using broadly the same survey methods as the baseline survey and midterm assessment will complete the project impact measurement and reporting cycle. Statistically valid sampling throughout the process will enable IFAD to report on the impact of its interventions in a credible manner. The outcome of the completion assessment will form part of the project completion report. A final report on first- and second-level results will also be provided in this report.

43.   **Evaluation**. Reporting systems based on agreed results/impact indicators are expected to contribute to the effectiveness and quality of the evaluation process, at both the interim and completion stages. Evaluators will have verifiable data to measure the changes (as outlined in the MFE), on the basis of which it will be possible to make comparisons between projects.

B. Build Up Results Management Capabilities

44.   Since results and impact are achieved in the field, project-level support and capacity enhancement are of necessity a precondition for effective management information systems at both the field and IFAD levels. Several of the measures highlighted above will be made more effective through support for continuous capacity-building for results management. This includes:

 (a) training of IFAD country portfolio management staff in results management (with the logframe);

 (b) training of participants on in-house quality assurance, control processes and use of the logframe as a results management tool;

 (c) training of cooperating institution staff, as a criterion for the selection of cooperating institutions; and

 (d) use of country-level grants, regional grants (following the high standard-setting example of PREVAL[5] in Latin America and the Caribbean) and (after an inception period) loan resources to build up project-level results management competencies, in particular M&E.

C. Resources to Finance Impact-Related Assessments

45.   As described above, there is a need both for specially tailored baseline poverty surveys and for midterm and completion impact assessments, the total **incremental** costs of which (i.e. **not** including normal project cycle management costs and results management costs, which are integrated into project costs) throughout the implementation period is estimated at about USD 100 000 per project, based on IFAD's experience in the Western and Central Africa region. While these incremental costs relate to the actual baseline surveys and midterm and completion impact assessments, they will be linked to capacity-building – especially the two former assessments. It is proposed that grant resources be provided selectively during the transition or roll-out phase of the results management system. Once a critical mass of capabilities has been developed in countries or regions, and once the need for support (learning-by-doing jointly with external expertise) has abated, the incremental costs of such assessments will be built into the loans.

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[5] Programme for Strengthening the Regional Capacity for Monitoring and Evaluation of Rural Poverty-Alleviation Projects in Latin America and the Caribbean.

D. A Phased Approach.

46.   Since capacities and resources are limited, especially within IFAD, implementation of the results management system and of the above-mentioned capacity-development effort will need to be undertaken at one and the same time. It is therefore recommended that the system be implemented in a phased manner, i.e.:

(a) The proposed results management system will be mandatorily applied to all new projects incepted as of 2004 (for 2004, this will amount to about 15 projects), and to those that have not initiated formulation before 1 January 2004 (about 15).

(b) Projects (about 40) that have progressed beyond the preparation stage as of 1 January 2004 but have **not yet held start-up workshops**, will seek to meet the full requirements for the results management system at the time of the start-up workshop.

(c) Projects (about 80) that have **not reached the midterm point** as of 1 January 2004 will seek to develop a management system for first-level results up to the midterm point, after which they will comply with the full system for results management.

(d) For projects (about 110) that have **passed the midterm review** process as of 1 January 2004, the focus will be on reporting on results and impact based on existing targets, indicators and reporting requirements.

47.   While aggregate reporting on the results and impact of IFAD's loan portfolio will start as of April 2005, full implementation of the proposed results management system will take about three-to-four years, that is, until such time as MTRs have been made of projects that started up recently. Paragraph 4 of this document identifies a wide range of stakeholders involved in measuring results and impact as a management tool and its reporting process – as a starting point for reinforcing results management in projects. The proposed phasing also accommodates the expected need, as of late 2003/early 2004, for a process whereby the views of such stakeholders (especially project managers) will be sought. This will hopefully lead to: a common view on priority indicators; balanced representation of all stakeholders' objectives (MDGs, poverty reduction strategy papers, IFAD's strategic framework objectives, sector- and project-specific objectives); and commitment to the new approach and system by all stakeholders, including IFAD.

E. Implementation Coordination Team

48.   Although the gravity point for results management is in-country, and the rural poor and project management teams in the field are key stakeholders in results management, what is needed is in-house coordination of, and support for, the implementation of this initiative. A small cross-divisional team will fulfil the necessary implementation planning, coordination and institutional learning requirements for the roll-out of this initiative in 2004. This team will be instrumental in furthering IFAD's learning from other organizations' results management efforts, in fine-tuning indicator and aggregation methodologies (e.g. results and impact indicators on institutional change, the impact indicator of increased assets), and in developing guidelines and operational procedures. While supplementary funds from the Canadian International Development Agency are available for work in 2003 and early 2004, the 2004 roll-out will require significantly more resources.

F. More Effective Information Technology Support

49.   The current portfolio management system receives IT support from the PPMS. Development of a more comprehensive and aggregated results management system will require IT support of a higher standard or even of another order. Supplementary funds will be sought for this purpose.

V. RECOMMENDATIONS

50.   The Executive Board is invited to consider and endorse the proposed approach and system for measuring and reporting on the results and impact of IFAD-supported country lending programmes within the context of an integrated results management system. At this stage, the proposal constitutes a framework that will require further development in 2003, followed by testing, refinement and improvement in 2004. A progress report on the system will be submitted to the September 2004 Session of the Executive Board, and a first annual report on consolidated results and impact will be prepared for the April 2005 session.

51.   The endorsement of the Executive Board relates in particular to the following elements of the framework:

  (a)   the system of results and impact indicators in Table 1 and in the Annex;
  (b)   the approach to reporting outlined in paragraphs 28-30;
  (c)   exclusions given (paragraphs 31-32); and
  (d)   phasing (paragraphs 46 and 47).

SYSTEM OF RESULTS AND IMPACT INDICATORS
(all indicators to be disaggregated by gender, where relevant)

Activity clusters	First-level results	Second-level results
All clusters	Number of persons receiving project services (direct, total project)	Number of households (HHs) that have improved food security (e.g. reduction in length of lean/hungry season, increased number of meals a day)
Smallholder agriculture development	Number of persons trained, by gender and sector Number of farmers using purchased inputs	Ha of incremental crops grown (cereals, forage, fruit, legumes, vegetables, roots and tubers) Number of farmers adopting technology recommended by project (by gender) Number of farmers reporting production/yield increases
Rural financial services	Number of active savers (disaggregated by gender) Value of savings mobilized (by gender) Number of active borrowers (disaggregated by gender) Value of gross loan portfolio (loans outstanding – loans written off) (disaggregated by gender)	% of portfolio at risk (outstanding balance of overdue loans) % of operational self-sufficiency % of operating cost/loan portfolio % of outstanding loans/agents (staff productivity)
Small-scale fisheries development	Number of fisherfolk with secure access to resource base Number of fisherfolk trained in new technologies Number of fishing ponds established/improved	
Rural infrastructure development	Ha of irrigation schemes rehabilitated/constructed Number of farmers working on rehabilitated/new schemes Number of user groups/water users' associations (WUAs etc.) formed Km of roads constructed/rehabilitated Number of market centres constructed	% of days of water delivery/required Number of HHs served by wells Number of functioning infrastructure, schools, health centres Number of farmers with secure access to water
Smallholder livestock development	Number of animals distributed – restocking a/ Number of animals vaccinated (by type) a/ Number of dipping facilities constructed/rehabilitated Number of water points improved/constructed	Number of small farmers reporting increased herd sizes
Marketing, storage and processing	Number of on-farm (household) storage facilities constructed/improved Number of processing facilities established	
Institutional development (policy change, organizational change)	Number of interest groups formed by type Number of enabling policies promulgated, by sector Number of projects supporting decentralized processes	Number of groups with women leaders Number of projects where new/changed pro-poor legislation or regulations are enforced at the local or national levels
Research, extension and training for agricultural production	Number of farmers participating in research trials Number of demonstrations held on farmers' land Number of people accessing technical advisory services facilitated by project Number of research-for-development extension/dissemination events attended by target HHs	
Rural community development	Number of community management groups formed/strengthened Number of people belonging to groups, by type of group Number of groups with women in leadership positions Number of village/community action plans (CAPs) prepared Number of community projects implemented (by type) Number of multipurpose training centres established/strengthened	Number of groups operational/functional, by type Number of women on management committees Number of CAPs included in local government plans

Activity clusters	First-level results	Second-level results
Rural enterprises development	Number of people trained in productive skills Number of enterprises established/strengthened	Number of enterprises operating after three years Number of jobs generated by small and medium enterprises
Human capital development for rural households	Number of community workers, volunteers reporting Number of people attending literacy classes (disaggregated by gender) Number of people trained in health, sanitation, nutrition Number of schools/clinics built/rehabilitated Number of wells drilled/dug for drinking water	
Natural resources management	Number of trainers trained by gender and type Number of people trained by gender and type Number of cisterns/water harvesting structures constructed Ha land improved through soil and water conservation measures Number of resource management plans enacted	Number of HHs provided with long-term security of tenure of natural resources, including land and water Ha of common property resources (under improved management practices)
Management and coordination	% disbursement of IFAD loans by cohort	