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Development Effectiveness in the Decade of Action: An Update to IFAD's Development Effectiveness Framework

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Executive summary

1. Over the past replenishment cycles, IFAD has committed to being results oriented and therefore to making the results agenda and development effectiveness a top corporate priority. For this purpose, the Development Effectiveness Framework (DEF) was developed in 2016 (DEF 2016) and went into effect in 2017, halfway through the Tenth Replenishment of IFAD's Resources (IFAD10) cycle.
2. The objective of DEF 2016 was to "ensure the generation of evidence that is systematically used and collected in projects" and to create "the necessary structure to facilitate the [collection and] use of evidence in decisions regarding the design and implementation of projects".
3. In keeping with IFAD's commitment to enhance the performance and efficiency of its work and operations, the review and update that follows seeks to take stock of the progress delivered on the objectives and activities included in DEF 2016 and to assess and address new and emerging priorities, while doubling down on areas where performance can be further improved.
4. The review of DEF 2016 finds that good progress has been made. Most of the activities envisaged have been put in place and good progress has been made on outputs. At the outcome level, DEF has done a good job of incentivizing accountability for results, though it has performed much more weakly on creating a culture of learning.
5. DEF 2.0 proposes maintaining the goal of DEF 2016, but shifts the focus from the production of evidence to the utilization of evidence for quality decision-making and enhancing development effectiveness. It proposes three updated objectives and also suggests that two cross-cutting areas (adaptive management and learning) are needed to ensure that the objectives are met. The three objectives are:
 - Continue to strengthen the results focus of projects.
 - Generate a culture of results in country programmes.
 - Promote data ownership, use, transparency and alignment.
6. These objectives will be operationalized through a series of activities, outlined in the paper, all of which are in line with IFAD12 commitments and will build on ongoing work across IFAD.

I. Introduction

1. Since 2016, IFAD has committed to making the results agenda and development effectiveness a top corporate priority. This commitment means transforming itself into a results- and evidence-driven organization that delivers results and achieves impact to promote inclusive and sustainable rural transformation as its comparative advantages. IFAD's mandate supports Sustainable Development Goals (SDGs) 1 and 2 – no poverty and zero hunger – as well as other important SDGs on gender equity, climate action and decent work. The Strategic Framework 2016-2025 pursues three interlinked strategic objectives (SOs): (i) increasing rural people's productive capacity, (ii) increasing their benefits from market participation; and (iii) strengthening the environmental sustainability and climate resilience of their economic activities. All of these are directly linked to SDGs 1 and 2.
2. Central to IFAD's Strategic Framework is the use of evidence and knowledge in the design and implementation of projects, programmes, and strategies. To further this, and to instil the results agenda, the Development Effectiveness Framework (DEF) was developed in 2016 (DEF 2016) and went into effect in 2017. The ultimate goal was to improve IFAD's development interventions and make them more likely to achieve their objectives. DEF, whose design was based on a theory of change, contains a set of activities that, once implemented, would position IFAD well as a results-driven development institution.
3. Because IFAD's business model and practices are evolving in light of the combined challenges of the 2030 Agenda and COVID-19, DEF must also keep pace with these challenges. Therefore, responding to the ongoing United Nations reforms and the quadrennial comprehensive policy review (A/RES/75/233) resolution adopted by the General Assembly¹ in December 2020 and in keeping with IFAD's commitment to enhance performance and efficiency of its work and operations to deliver its mandates, the review of DEF outlined in the present document takes stock of the progress delivered on the objectives and activities presented in DEF 2016, and updates it with the aim of reflecting new and emerging priorities, while doubling down on areas where performance can be further strengthened.
4. This update to DEF (DEF 2.0) has a similar scope and purpose. The ultimate goal of the framework remains to improve IFAD's interventions and make them more likely to achieve their outcomes. However, DEF 2.0 widens the approach to indicate that this goal ultimately needs to be applied not only at the project level, but also more importantly at the country programme level.² Evidence generation is no longer a sufficient objective – IFAD now must ensure that the large volume of data and evidence collected are actively utilized by projects to learn what works, what does not work, and why, and adapt project and country programme approaches along the way.
5. DEF 2.0 articulates a vision for IFAD's development effectiveness throughout the remaining SDG Decade of Action (2022–2030). It builds on four pillars: (i) results of DEF 2016; (ii) strategic direction of IFAD resulting from discussions on the Twelfth Replenishment of IFAD's Resources (IFAD12); (iii) revisions to IFAD's Evaluation Policy; and (iv) practice and insights from other institutions' approach to development effectiveness.

II. DEF and review of performance: 2016–2020

6. As mentioned in the introduction, DEF 2016 was formulated to enhance evidence-based decision-making by embedding the Strategic Framework and Results Management Framework (RMF) to guide country strategies and project cycles. It

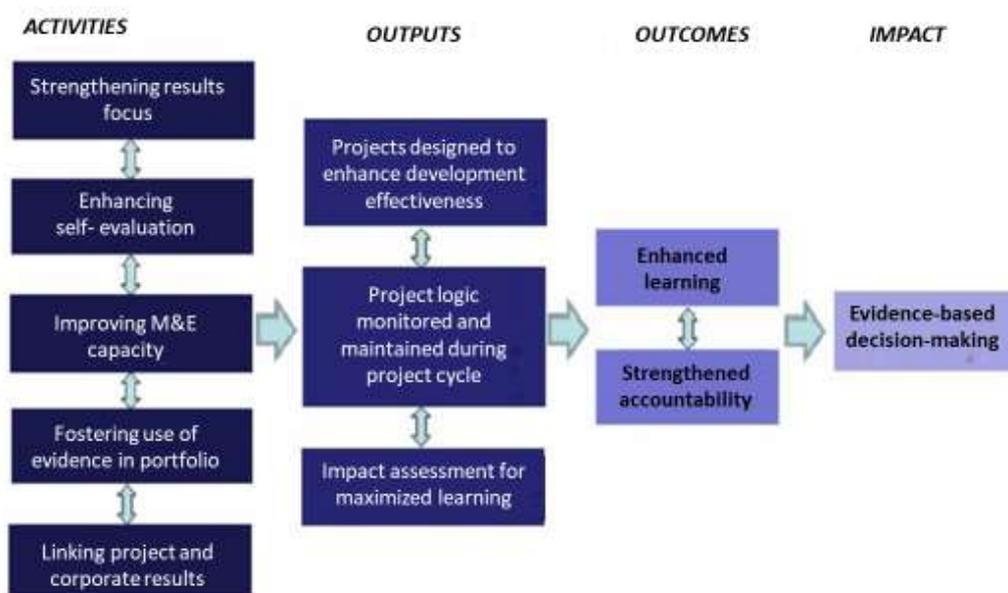
¹ <https://webapps.ifad.org/members/eb/133/docs/EB-2021-133-R-15.pdf>.

² The Report of the Consultation on the Twelfth Replenishment of IFAD's Resources highlights two key messages focusing on country programmatic approaches: (i) transformational country programmes will be the core vehicle to deliver results for the rural poor in IFAD12, and (ii) transformational country programmes will be delivered through enhanced institutional capacity and appropriate financing.

also sought to link the thinking pioneered in IFAD's impact assessments more deeply in corporate thinking on results.

7. DEF 2016 argued that development effectiveness hinged on four components. First, country strategic opportunities programmes (COSOPs) and country strategy notes (CSNs) should clearly identify projects and non-lending activities that address underlying, context-specific development problems. Second, development projects at entry should carefully articulate a theory of change highlighting how inputs and activities are expected to achieve outcomes and impact. Third, projects should be evaluable to allow for later assessments of project impacts and provide lessons for future projects. Fourth, monitoring and evaluation (M&E) and data collection systems should be sufficiently planned at design and implemented along with projects to ensure that information is adequately collected (see figure 1 below).

Figure 1
DEF theory of change



8. **Review of progress.** A comprehensive review of progress is presented in the annex. Since 2016, IFAD has put in place the fundamental building blocks of evidence-based decision-making. IFAD is a more results-oriented institution that uses data collected and monitored as part of M&E systems from its portfolio of ongoing projects whenever possible to undertake mid-course corrections. These building blocks have become the cornerstones of the organization's results architecture and also provide the foundation for IFAD's evaluation function. The implementation of DEF has allowed IFAD to measure, track and report on more results – and more specifically supervision ratings and other easily measured indicators – in real time, enabling evidence-based decision-making.
9. Most of the activities resulting from DEF that encompass systems, procedures and policies have been fully completed. Others are still ongoing and/or to be strengthened. The Operational Policy and Results Division (OPR) has been established, co-ownership between technical and operational staff of projects has been implemented, and an arm's length quality assurance process is in place. Additionally, data systems are present. There is greater emphasis on results-based logic in projects; a Development Effectiveness Matrix (DEM) has been designed and enhanced (DEM+) and is used as a key tool for ensuring design quality at entry.

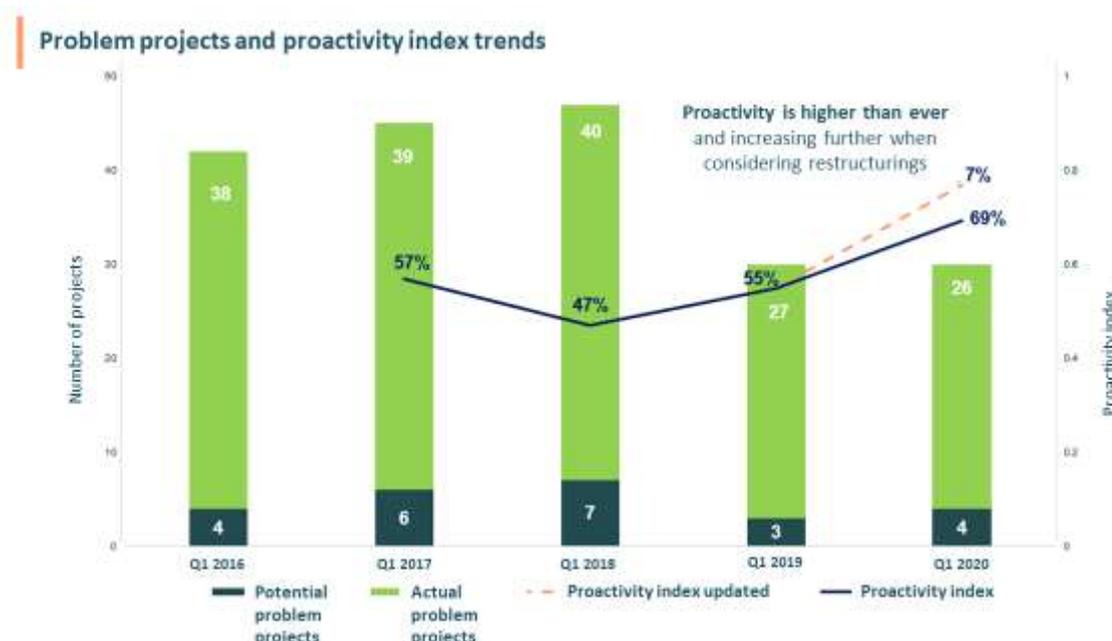
10. **Outputs.** Improved project designs aimed at enhancing development effectiveness are evident in corporate-level data, which show that projects designed during IFAD11 (2019 and 2020) have yielded excellent results: 94 per cent of projects designed in 2019 had an overall scores of 4+, while 100 per cent of projects designed in 2020 had a score of 4+. In fact, in 2020 more than 40 per cent of those projects were rated 5+. This was a notable improvement on projects designed prior to new design procedures being approved. Improvement on projects at completion has been slower, and these challenges are well outlined in both the Annual Report on Results and Impact of IFAD Operations (ARRI) and the Report on IFAD's Development Effectiveness (RIDE).
11. The expected output for project logic throughout the project cycle has been achieved by embedding project logical frameworks in the Operational Results Management System (ORMS). New tools – from DEM/DEM+ at design to the ORMS modules on supervision and completion – have ensured that project logic is validated throughout the project life cycle, and restructuring and flexibility have increased proactivity, should course adjustments be needed.
12. Finally, impact assessments have been conducted – predominantly ex post – on 15 per cent of the total portfolio of closing projects in each replenishment cycle. Impact assessment results and lessons drawn are incorporated into project completion reports (PCRs) as well as into new project designs and strategies. Impact assessments are also used to aggregate and project results to report on corporate-level impact indicators, measure overall achievements and set the targets for the following replenishment.
13. For example, corporate-level impact indicators for IFAD10 represent the basis for setting targets for IFAD11 and IFAD12. The use of impact assessments has been a distinguishing feature of IFAD's ability to demonstrate its attributable impact, making the Fund the only international financial institution (IFI) to report impacts at the corporate level. This approach is much appreciated by Member States and stakeholders and is being explored by other development organizations. The methodology has been assessed to ensure that the methodological choices on the selection of projects are sound; and, more recently, was adapted in light of the COVID-19 pandemic to ensure that it continues to meet reporting requirements and maintain rigour. More work is needed to embed impact assessments into M&E, to ensure that M&E systems are designed to produce knowledge and to allow impact assessments to be conducted as part of the project cycle.
14. The need for better linkages between project M&E and corporate results reporting was one of the core priorities outlined in DEF 2016. As stated in the RMF, starting in IFAD12 all projects will carry out core outcome indicators (COIs) surveys at baseline, midterm and completion stages since this is the best way to capture the results of a project's interventions over the course of its implementation. By linking and synchronizing M&E and impact assessment activities as part of the survey implementation, it will be possible to complement the impact estimates resulting from impact assessments with a larger set of projects from baseline onwards. This will allow a move towards measuring the Tier II development impact indicators using data from the M&E system, thereby transforming monitoring and evaluation into monitoring **for** evaluation (M4E).
15. COIs will be collected on beneficiaries at baseline and midline, and on both beneficiary and comparison groups at endline. This will help in two directions. First, it can complement the PCRs of IFAD's entire portfolio with a broader analysis that includes contribution. Second, it will become an effort which provides value for money for IFAD, as the sample of the 15 per cent of impact assessments mentioned above can well increase.³ While the experience from impact assessment

³ Please note that COIs will start in IFAD12, namely for projects that will be designed starting in 2022. The use of the COIs to increase the sample size of the impact assessment will be possible as soon as the high quality endline surveys collected by the project management units (PMUs) on both beneficiaries and comparison group are available.

activities show that there could be strong local capacity in country, it is also clear that a stronger effort of capacity development and training is required and needs to be embedded from the project design stage in countries where M&E, survey analysis, and impact assessment capacity are all still insufficient.

16. **Outcomes.** At the higher level, one of the two expected DEF 2016 outcomes, accountability for results has been strengthened not only by clarifying roles and responsibilities to conduct “back-office functions”, but also by embedding this accountability in processes and systems. Thus far, DEF has led to the use of live, evidence-based data for managing for results at project level (e.g. course adjustments through restructuring as a result of the restructuring policy approved in 2018, which brought about a decline in problem projects [see figure 2]); and portfolio-level reporting (e.g. quarterly and annual reviews at corporate and regional levels) as well as corporate and public reporting (e.g. RIDE, RMF Dashboard). The evaluation function in IFAD –both that of the Independent Office of Evaluation of IFAD (IOE) and self-evaluation by Management – uses data collected systematically according to DEF to assess performance and garner lessons to improve development effectiveness.

Figure 2
Enhanced proactivity and reduced problem projects in IFAD’s portfolio (2016-2020)



17. In contrast, a culture of learning is taking longer to establish than the action-oriented objectives in other parts of DEF and learning feedback loops often fall short of achieving development effectiveness. Sections on lessons learned in projects and COSOPs are often stylized facts, do not always provide actionable lessons and tend to focus only on positive lessons. External reports such as the Multilateral Organization Performance Assessment Network (MOPAN) have also emphasized this weakness.⁴ As pointed out in the external peer review (EPR) of IFAD’s evaluation function undertaken in 2019, learning is critical for leveraging its accumulated knowledge base by collecting, curating, and applying lessons learned to enhance future development impact. This last aspect represents the possibility of “turbo-charging” DEF in IFAD12 to strengthen IFAD’s contribution to the 2030 Agenda.
18. Overall, DEF 2016 has been a useful instrument in ensuring that IFAD transforms itself into a results-focused institution that generates evidence for use and many of

⁴ See the 2017-2018 MOPAN assessment here: <http://www.mopanonline.org/assessments/ifad2017-18/>.

its objectives and activities have been completed. However, more work is needed to continue building a robust culture of learning and to achieve the ultimate objective of evidence-based decision-making.

III. The context of DEF 2.0

19. **Organizational changes.** IFAD's ambitious reform agenda during IFAD11 included decentralization of operational staff and overall organizational realignment. IFAD doubled its field presence, from 15 to 33 per cent of staff stationed in the field.⁵ The benefits of being closer to clients were framed around the ability to demonstrate relevance, influence policy discussions and ensure more consistent follow-up, supervision, and support for projects. Decentralization was accompanied by new ways of working, including shared cross-departmental responsibilities, a revised delegation of authority framework and realignment at headquarters to service the decentralized structure. Changes were also made to IT systems to ensure a fully connected global organization.
20. In 2018, IFAD revised its project design process, resulting in expedited procedures for project design while ensuring technical and strategic inputs from project delivery teams (PDTs) (including technical experts and mainstreaming theme experts). DEM was developed to ensure sound theory of change and consistent project logic, project compliance, quality and evaluability at the design stage.⁶ This matrix is a checklist consisting of two components: one that verifies that IFAD is doing the right things to ensure a link to IFAD's results, and the other, which verifies that IFAD is doing things right to validate that projects meet quality standards, allowing them to be effective. On the results side, this matrix was designed to ensure that projects contribute to higher-level outcomes and are aligned with the COSOPs, IFAD's SOs, and the SDGs.
21. **Operational changes – IFAD12.** IFAD has laid out transformative goals during IFAD12, which will span the next three-year cycle and beyond, to 2030. The theory of change maintains a structure in which IFAD will retain its ambition to make a significant contribution to SDG 1 (no poverty) and SDG 2 (zero hunger), as well as to make positive impacts on other relevant SDGs. IFAD has mapped its outcome and impact indicators to specific SDG targets, which resulted in the development of the Sustainable Development Finance Framework.⁷ The Fund will continue this exercise to ensure that reporting on the SDGs is linked with other members of the international development community and national governments. This forms Tier I of the RMF and theory of change.
22. In Tier II, IFAD's development impact for Agenda 2030 is focused on expanding and deepening impact by increasing outreach, speeding up delivery and building resilience by taking into account lessons learned from IFAD's impact assessments, as highlighted in box 1. In Tier III – operational results – IFAD places transformational country programmes at the centre. This involves closer interaction with an array of clients, a deepened approach to mainstreaming and a wider menu of solutions, including access to new ways of working such as through supplementary funds (e.g. the enhanced Adaptation for Smallholder Agriculture Programme [ASAP+]) and non-sovereign private sector operations. Supporting the achievement of these goals will be the transformation of the institution (people, processes, and systems) and the financial architecture (ensuring IFAD's financial

⁵ In IFAD12, this target has increased to 45 per cent, with a greater number of operational staff being moved to new regional offices, starting in 2021.

⁶ The Inter-American Development Bank also uses of a similar checklist to assess project quality at entry. Analysis shows that higher scores on project logic and economic analyses at entry are associated with better project performance ([Corral and McCarthy, 2020](#)).

⁷ See more at

https://www.ifad.org/documents/38711624/39633845/IFAD%27s+Sustainable+Development+Finance+Framework_20210602123614.pdf/d6623922-8fba-13f6-2b89-0a5ed26d9519?t=1622631337388.

sustainability while maximizing resources for the poorest countries and poorest people).

23. Additionally, in IFAD12 the Fund will focus on two key principles for its business model to help achieve significantly increased and deepened impact. The first is proximity to clients, as mentioned above. The second principle is the need for an adaptive approach to doing development. Adaptive management approaches emphasize the ability to learn, respond and evolve quickly and reactively. Adopting such approaches will require that IFAD implement more course corrections when risks that could undermine development objectives and outcomes emerge, or when economic or other shocks arise. IFAD will ensure that teams have the tools and incentives to learn more quickly and effectively what works and what does not, and to adapt more fully (see box 2 below). This will require more frequent strategic planning with stakeholders and more agility during project design and implementation.

Box 1

Impact assessments

Since 2013, IFAD has been conducting impact assessments with the aim of reporting impact at the corporate level during the IFAD9 and the IFAD10 replenishment cycles. Impact assessment activities for the IFAD11 replenishment cycle are well underway. There are a number of recurring lessons and challenges related to conducting impact assessments, which are common for all impact assessment cycles. They include:

- (i) *Design versus implementation:* Mismatch between interventions conceived at design and interventions delivered by the project: While project design documents are comprehensive, there are a number of challenges related to the changing nature of implementation after entry into force, with the consequence that some projects components/activities are implemented differently from how they were designed (or eliminated altogether). The mismatch is problematic for the careful design and implementation of an ex ante impact assessment. This is particularly challenging when impact assessments benefit from external funding conditional on evaluating certain themes or specific interventions.
- (ii) *M&E data:* Designing rigorous impact assessments requires in-depth review of M&E data to ensure project target groups and their comparison groups can be interviewed, and collected data are representative of the project activities. However, M&E data do not always contain the full and updated list of beneficiaries and their comparison groups. The need to collect supplementary data for impact assessment design often results in additional time (4-6 months more) and resources taken to complete an impact assessment cycle.
- (iii) *Buy-in and ownership:* Stakeholder buy-in and involvement of country teams and project staff for impact assessments is critical. It is essential for identifying policy-oriented research questions to be addressed. Also, it is essential for ensuring timely response and collaboration, obtaining secondary data and available information, and conducting impact assessment activities throughout the impact assessment cycle.

24. Finally, specific commitments for IFAD12 focus on areas aimed at improving development effectiveness, namely adopting a series of action plans to enhance performance on, inter alia, efficiency, sustainability, policy engagement, M&E, and scaling up. A renewed focus on deepening impact through mainstreaming themes, and on improving the ways in which IFAD engages in fragile and conflict-affected states is also notable.
25. **Changes to IFAD's culture of independent and self-evaluation.** The second EPR on the IFAD evaluation function in 2019 found that the overall structure and functioning of the evaluation system was on par with comparator institutions and consistent with established professional standards. However, it highlighted the need to adapt to the changing environment and incorporate lessons from the past. It underscored the opportunity of strengthening the strategic relevance of evaluation, and thus enhancing its contribution to IFAD results.
26. The Revised Evaluation Policy, adopted in April 2021, implies a comprehensive framework through which both self- and independent evaluations are strategized, elaborated, conducted and used, driven by the objective of achieving complementarity, mutual reinforcement and synergy between the two. It also makes accountability and learning shared objectives of evaluation, and reflects IFAD's increasing focus on embracing a culture of evidence- and result-based management to maximize development effectiveness. Changes to the self-evaluation and independent product mix, as well as updates and revisions to the

Evaluation Manual, complement DEF and the changes proposed in this document.⁸ Specifically, DEF sets out broadly how self-evaluation approaches and resulting products will be strengthened in the coming years. These changes will be reflected in updated guidelines and products as well as in the Evaluation Manual.

Box 2

Five incentives for improved learning

(1) Recognition. Thematic and portfolio stocktakes could be conducted to maximize ownership so that technical and operational staff are co-owners of the information being presented. Key IFAD staff names could be added to internal and external websites, mirroring what is now included on the inside covers of project design reports (PDRs) and COSOPs.

(2) Accomplishment. As an incentive to acknowledge the key IFAD12 principle of learning and knowledge, it is proposed that a prize be given each year for the best knowledge gap question. The question should be framed to include a proposal on how to fill the gap with tangible, testable interventions.

(3) Inclusion. Recent work to update project design and implementation guidelines include the identification of PDTs, including co-ownership between the Programme Management Department (PMD) and the Strategy and Knowledge Department. Further strengthening the culture of PDTs around collaborative design will help to further the inclusion incentive of making knowledge-sharing more social. Capitalizing on the existing 11 Communities of Practice (CoPs) is another important activity to make knowledge-sharing more social. CoPs, which IFAD staff are supported to create and manage, collect value creation stories. However, as the Knowledge Management (KM) Action Plan update notes, CoPs can only trigger transformational change if they are embedded in work processes; another rationale supporting the overall approach put forward in section II.

(4) Ease of access. Dgroups, an online collaboration platform with almost 1,000 members, is available for internal and external-facing communities and networks, and can make knowledge-sharing easier. Although the involvement of project staff in both CoPs and Dgroups is growing, more needs to be done to enhance the link to operations and leverage knowledge from the field – critical as IFAD increasingly decentralizes. IFAD also has many rich formal knowledge products as well as operational reports (e.g. PDRs, PCRs and COSOP completion reviews [CCRs]). While longer reports may be utilized by some, other users would benefit from shorter extracts and summaries. The possibility of resurrecting a two-page PCR summary sheet could be explored in combination with updates to ORMS to include easier links to knowledge and actioned lessons, tagged and classified in a useful fashion.

(5) Signalling. Last but not least, is the role of IFAD's leadership. Evidence from the literature suggests that a culture of learning is only likely to be developed and maintained if senior leadership signals and models the culture and values appropriate to learning.

27. **Practice in other IFIs.** A notable evaluation recently produced by the Independent Evaluation Group of the World Bank focuses on the extent to which the Bank is able to focus and track results sufficiently at the country programme level, rather than tracking outputs or outcomes on a project-by-project basis.⁹ World Bank management has responded by undertaking to adjust country engagement guidelines, including results frameworks, to articulate a “line of sight” to selected high-level outcomes such as those in IFAD’s Strategic Framework and the SDGs. They will also implement a more structured approach to course adjustments during implementation and learning, instead of implementing course adjustments and learning on an ad-hoc basis, if and when required. The objective of these changes is to aim and manage for outcomes that matter more explicitly, and to ensure that results systems capture their contributions along the pathway to country outcomes. While IFAD’s challenge of tracking results and impact at the country level are less complex than that of a multi-sectoral multilateral development bank, a focus on country-level results and impact with lines of sight towards higher-level outcomes and accompanying tracking systems is critical to capture better the impact IFAD is able to make beyond projects, e.g. at the level of policy or strategy.

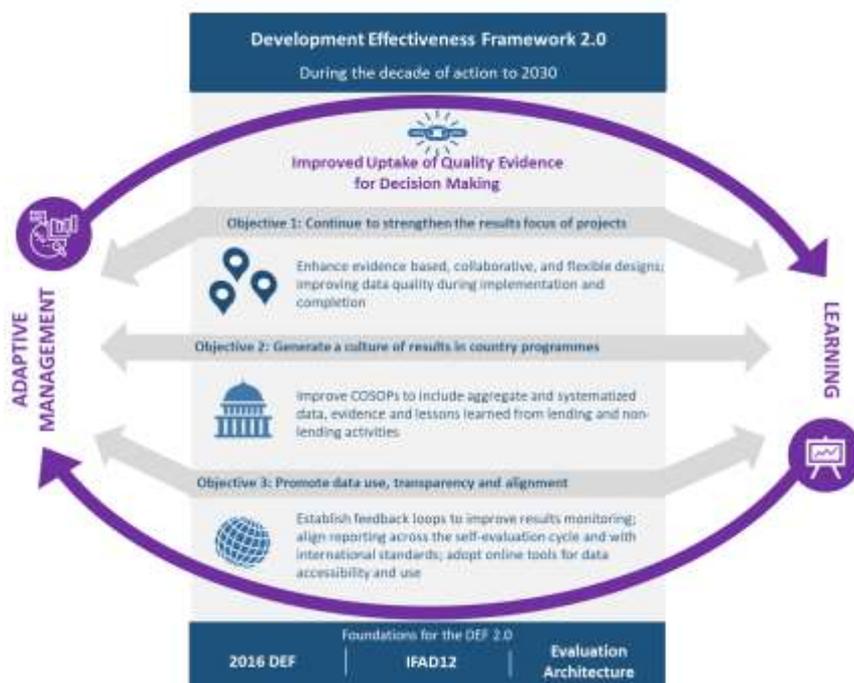
⁸ The EPR further recommended that IOE prepare a strategy to better facilitate the implementation of the Revised Evaluation Policy. Based on the recommendation, IOE is drafting its multi-year strategy that will guide its approach to the evaluation function to address the needs and priorities emerging from the review exercise during the IFAD12 and IFAD13 replenishment cycles. Based on its nature and its main topics, the multi-year strategy can be considered as IOE's product most akin to DEF. Learning and adaptive management are at the core of both documents. The strategy will include a framework for selecting and prioritizing IOE's work programme, just like DEF is a framework to prioritize actions needed to improve the focus on results. Finally, the strategy will address the need for evaluation capacity development (including for government and development partners) in line with DEF's efforts to improve capacity on M&E.

⁹ See more at <https://openknowledge.worldbank.org/handle/10986/34845>.

IV. DEF 2.0

28. **Building on the review of DEF 2016**, this section sets out the core elements of the DEF 2.0. DEF 2.0 re-emphasizes some underperforming elements up to 2016 and suggests new areas of focus that will help place IFAD on a path towards maximizing performance by 2030. DEF 2.0 proposes maintaining the goal of DEF 2016. However, it shifts the focus from **generating** evidence to **utilizing** evidence for quality decision-making and enhancing development effectiveness. It proposes three updated objectives and also suggests that two cross-cutting changes are needed to ensure that the objectives are met, as illustrated in figure 3.

Figure 3
DEF 2.0 schematic



29. **Learning.** The first cross-cutting change needed is that, given the considerable amount of work still required to build a culture of learning across the institution, all objectives and activities within DEF 2.0 must have a strong focus on learning. Incentives (see box 2 above and box 3 below), tools, mechanisms and approaches need to be deployed to create tangible results. More efforts are needed to ensure that learning is prioritized and prized by IFAD's staff, government partners and beneficiaries. Learning should not come at the expense of accountability but, rather, should be used to enhance accountability. Similar to the Evaluation Policy, a renewed focus on incentivizing learning is clearly necessary.
30. **Adaptive management.** The second cross-cutting change is to encourage and enable adaptive management. Adaptive management is "an intentional approach to making decisions and adjustments in response to new information and changes in context"¹⁰ and requires that using evidence for informed decision-making should become a routine part of programme delivery. Contrary to a results-based approach, adaptive management encourages adapting the pathways through which programme goals are achieved, rather than adjusting the goals themselves. Some of the other salient differences between the two approaches are summarized in figure 4 below.

¹⁰ United States Agency for International Development (USAID) Automated Directives System, chapter 201.6).

Figure 4
Results management approach versus adaptive management approach



Box 3
Examples of incentives for learning¹¹

In 2019, the World Bank unveiled a framework to improve knowledge-sharing (KS) and incentives for “knowledge reuse”. Apart from key structural barriers, five critical behavioural barriers to knowledge-sharing were identified: (i) lack of personal ownership; (ii) insufficient KS norms; (iii) insufficient peer pressure; (iv) lack of KS visibility; and (v) disconnect between KS and career goals. Based on these barriers, three behavioural drivers were critical to improving knowledge-sharing: (i) linking KS to self-development; (ii) making KS more social; and (iii) making KS easier. A sense of accomplishment, social recognition, or a feeling of ownership over one’s work were key intrinsic rewards for effective KS behaviour. Incentives were identified as a necessary condition to promote those behavioural drivers.

31. **Adaptive management** is therefore the intersection of evidence-based decision-making and learning. Lessons cannot truly be learned if they are not applied. Therefore, incentives for teams to make course adjustments as they learn during the project cycles and country programmes must be created, especially during the early stage of implementation. Incentive structures must be put in place to allow teams to make necessary adjustments during the project cycle as part of regular supervision. This will help projects and country programmes to respond and adapt to emerging challenges of the changing environment, to ensure that results are achieved and to fully embed a results-based management focus in IFAD’s work.
32. A sound approach to KM will be instrumental to serving the two above-mentioned cross-cutting priorities. The following paragraphs list the objectives and proposed activities of DEF 2.0. Box 4 provides an overview of the synergies between DEF’s objectives and IFAD’s approach to KM for the coming years.

Box 4
KM and its role in DEF

Knowledge is intrinsic to the four pillars of IFAD11’s business model. For IFAD12, its relevance will be even more significant as institutional change and transformational country programmes cannot be achieved without a sound approach to KM. Following the approval of its KM Strategy in 2019, IFAD has been implementing the three pillars of KM (KM generation, KM use, and creation of an enabling environment through the adoption of annual action plans). There are clear synergies between DEF and IFAD’s approach to KM. Drawing on these synergies, KM plans for the future years will embed those activities contemplated in DEF and whose outreach and impact can be maximized with KM. Similarly, activities proposed under DEF 2.0 will reflect IFAD’s approach to KM. The 2021 KM Action Plan already shows several areas that are relevant to DEF and could be replicated and expanded in future action plans.

33. With these two cross-cutting priorities in mind, the three proposed objectives for DEF 2.0 are as below. More about how these objectives will be operationalized is described in the paragraphs below, which lay out activities IFAD will seek to pursue.
34. **Objective 1.** Continue to strengthen the results focus of projects at design, during implementation and at completion, and ensure feeding into future strategies and planning.

¹¹ See more at <https://openknowledge.worldbank.org/handle/10986/32624>.

35. **Objective 2.** Move beyond a project-centred results logic to a country programme results focus.
36. **Objective 3.** Enhance government ownership and alignment, and promote data use and transparency.
37. **Results focus of projects (objective 1).** At the project level, there are clearly some elements of DEF 2016 that require renewed/ongoing focus.
38. Three activities already present at design require reinforcement. First, there is a need to maintain a culture of collaborative IFAD PDTs by including varied expertise from technical and operational staff in PDTs with co-ownership. This includes enhancing the recognition and visibility of technical and operational staff in PDTs, and ensuring they help to document best practices and lessons learned throughout the operation cycle. Secondly, IFAD must continue to include external actors (e.g. government officials and counterparts, stakeholders) whenever possible, building on the stakeholder feedback framework, for example. Thirdly, while theories of change are already in use, teams must encourage greater use of quantitative and qualitative evidence to demonstrate validity of the theory of change and the likelihood of achieving expected results. As part of a solid theory of change, project design needs to explicitly acknowledge and address recommendations and lessons stemming from both self- and independent evaluation products.
39. Newer activities aimed at enhancing the results approach of projects at design include:
 - (i) Incentivize learning loops by motivating PDTs towards referencing relevant data and key pieces of information, but also facilitating this through built-in tools, from: (a) existing research and statistical databases; (b) lessons learned from PCRs; (c) impact assessment findings; (d) systematic review and meta-analysis findings; (e) implementation evidence identifying enabling factors and challenges to project delivery; and (f) administrative processes archived in ORMS, etc. when designing projects.
 - (ii) Allow greater flexibility at design to encourage adaptive management approaches, especially during the early stages of project implementation.
 - (iii) Provide financing for assessments at design to address institutional and technical capacity on M&E issues, and link it to risk assessments.
40. During implementation and at completion, DEF 2.0 will build on the activities already in place to ensure that monitoring is not only connected to, and supports evaluation, but is conducted with a view to ensuring proper implementation, providing corrective measures to projects if needed and facilitating evaluations at project completion.¹² Within this framework, a shift is foreseen from a monitoring and evaluation approach towards an M4E approach as well as for monitoring for management decisions. A greater emphasis will be placed on creating incentives for learning lessons and learning loops to embed lessons in future project design and strategies. Specific activities will include:
 - (i) Support management information systems on the ground for tracking input and output indicators and collecting granular data (e.g. granular cost data) – an important requirement for: calculating cost effectiveness and value for money; supporting survey data (COIs, impact assessments) and synergies between the two survey methodologies.
 - (ii) Enhance project implementation manuals to include guidelines on data generation, data collection, and data monitoring for project evaluation purposes, as well as undertake a review of project supervision and completion guidelines to ensure they are useful to country teams in assessing

¹² Analysis conducted on over 1,300 projects evaluated by the World Bank between 2008 and 2014 suggests a positive association between quality of M&E and project performance ([Raimondo, 2016](#)).

and correcting execution, and consistent with those established in the revised Evaluation Manual.

- (iii) Enhance training for PMU staff/government officials on M&E and data collection, and its link to policy processes.
 - (iv) Improve mechanisms for collecting stakeholder feedback and closing learning loops during implementation (e.g. include beneficiaries in stakeholder feedback surveys; organize regular stocktakes in the field by leveraging on proximity, peer review of PCRs at endline to ensure quality enhancement).
 - (v) Assess changes in categories and amounts of investments over time, comparing planned components and amounts at design versus ex post.
41. **Country level results (objective 2).** While IFAD must continue to work to improve development effectiveness through its projects, interventions must be linked to higher-level outcomes, as highlighted by the central pillar of the IFAD12 business model, focused on transformative country programmes. This is particularly relevant in light of development progress and agendas that encourage countries to graduate from IFAD's financial resources. As such, DEF 2.0 adds an emphasis on country programmes to ensure that this combination of "doing" results in "achieving" real development outcomes in the countries where projects implement, therefore deepening development effectiveness.
42. Activities under this objective will include:
- (i) Bring ORMS online for COSOPs and CSNs to encourage better tracking of country programmes and non-lending activities – especially policy engagement – using qualitative and quantitative methods.
 - (ii) Update COSOP guidelines to incorporate analysis needed for graduation in cases of countries above Graduation Discussion Income and to ensure that investment projects are implemented in response to priorities and objectives outlined in COSOPs.
 - (iii) Make data and lessons about countries – economic analyses, sector analyses, institutional analyses, vulnerability analyses, climate analyses, lessons learned, population and agricultural censuses, living standard measurement surveys, impact assessment data, cost effectiveness/value for money – more readily available for country teams by bringing them online in easily accessible and real-time formats.
 - (iv) Scale up the framework and ensure consistency and coordination with external partners in conducting impact assessments of projects supported by supplementary funds and non-sovereign operations which require impact assessments (e.g. those projects supported by the Green Climate Fund and the Private Sector Financing Programme); develop the protocol to assess external validity.
 - (v) Consider creating or adapting COIs for COSOP level to capture non-lending activities, especially policy engagement, partnership and KM.
 - (vi) Conduct systematic reviews and meta-analyses based on emerging priorities, findings and recommendations stemming from impact assessments and/or from independent evaluation, research and themes as well as regional context to inform future country programmes and project investments.
 - (vii) Conduct implementation research to identify enabling factors and challenges to project implementation based on emerging priorities and themes as well as regional context.
43. **Ownership, alignment and transparency (objective 3).** IFAD has done well in creating a culture of results-based management internally, but it has been weaker both in communicating its results and impact to the world, and in encouraging the

government counterparts it works with to adopt results-based management practices. There is also work to be done, using the Revised Evaluation Policy and evaluation products, on enhancing collaboration between Management and IOE on evaluation and monitoring issues, and on the use of consequent lessons emerging. DEF 2.0 puts renewed focus on having robust, well-aligned and up-to-date results that are communicated in a timely and transparent way, but also on ensuring that governments and other development partners are equally empowered with data and evidence that they can use to practice results-based and adaptive policy-making and programming.

44. **Ownership.** Each year, IFAD conducts portfolio stocktakes at regional and corporate levels to assess the portfolio's performances and to identify areas requiring improvements. A number of thematic portfolio stocktakes of project types have also been organized in recent years. In parallel, IFAD also conducts impact assessments on at least 15 per cent of its portfolio and estimates aggregated projections of impacts on the entire portfolio at the end of each replenishment, sharing key lessons, emerging results and contributing to setting the targets of new replenishment cycles. Management will continue to regularly engage the IOE, the Evaluation Committee and the Executive Board more broadly on the results and lessons from stocktakes and from IFAD's impact assessment aggregated results. Moving forward, IFAD will work to increase ownership through the following activities:
- (i) Make data more readily available to governments on project performance, trends and analysis, and encourage discussion of these data as part of policy dialogue between country directors and government counterparts.
 - (ii) With governments, when selected as partners in the implementation of the 50 x 2030 Initiative, develop a plan on the evidence needed to feed policies.
 - (iii) Organize training and KS sessions on logframes for IFAD's technical and operational staff; share knowledge and undertake exchanges and conversations with IOE, the Evaluation Committee and Executive Board.
 - (iv) Create a list of examples of preselected indicators and outputs for each project type jointly with divisions and technical experts.
 - (v) Undertake a desk review on indicator quality and use in logframes.
 - (vi) In collaboration with the IOE, support efforts to enhance results-based management principles and practice in IFAD partner governments and units through capacity-building (e.g. grants)¹³ and participation in initiatives such as the Global Evaluation Initiative.¹⁴
45. **Alignment.** As a specialized agency of the United Nations, IFAD is fully committed to the SDGs and has a mandate to contribute to support Member States in achieving the SDGs. IFAD is also aligned with the evaluation standards of the Development Assistance Committee of the Organisation of Economic Co-operation and Development (OECD-DAC). Activities implemented under DEF 2.0 include:
- (i) Map, demonstrate, and communicate links between IFAD impact and results (outputs and outcomes) and SDG targets.
 - (ii) Adjust/update IFAD's COIs to bring them further in line with international good practice, etc.
 - (iii) Upgrade supervision and completion guidelines to: (a) reinforce objectiveness of ratings and compliance with OECD-DAC standards; and (b) shift emphasis

¹³ IFAD is strengthening government capacity through grants such as those of the Program in Rural Monitoring and Evaluation (PRiME), focused on M&E for agricultural projects. Also providing direct support and training on results-based management, financial management and capacity assessment are the following initiatives: Driving Delivery of Results in the Agriculture Sector (DELIVER); Advancing Knowledge for Agricultural Impact (AVANTI); Achieving Project Excellence in Financial Management (APEX); and Results-based Management for Rural Transformation (RESOLVE).

¹⁴ <https://www.globalevaluationinitiative.org/>.

from use of ratings at supervision/completion to output and outcome-level results reporting, drawing from robust monitoring (output) and evaluation (outcome) data in corporate results reporting.

- (iv) Update data systems to track adaptive management practices during project and country programme implementation, restructuring and target and indicator revision.
- (v) Bring online the tool for tracking recommendations and follow-up taken by Management on IOE recommendations (President's Report on the Implementation Status of Evaluation Recommendations and Management Actions [PRISMA], vol. II).

46. Transparency and data accessibility

- (i) Launch website on results and impact providing better communication on IFAD's development effectiveness, with links to existing tools.
- (ii) Digitize the Report on IFAD's Development Effectiveness to disseminate it widely as a better external communications and learning tool.
- (iii) Develop a data governance policy and standardize a protocol to disseminate data with confidentiality and security arrangements;
- (iv) Make data about IFAD's investments available on IFAD's website in an easily downloadable format for investors, Member States, researchers, etc., which can also demonstrate the cost effectiveness and value for money of IFAD's investment projects.
- (v) Incorporate geo-referenced M&E into communications/outward facing tools; consider including in projects when feasible, desired and appropriate with necessary arrangements in place, including financial and legal settings.

V. Conclusions and roll-out plan

- 47. This paper asserts that in order to build on the solid work done on development effectiveness between 2016 and 2021, updating DEF is needed to (i) accomplish remaining objectives which underperformed; (ii) adapt to the new circumstances in which IFAD's business operates, and (iii) move the focus from a project approach to a country programme approach wherever possible. As such, this DEF 2.0 proposed three objectives and two cross-cutting issues to achieve its goal of better utilization of evidence for improving development impact and outcomes.
- 48. The successful implementation of DEF 2.0, accompanied by the existing commitments for IFAD12 and beyond, will ensure that IFAD works towards deepening and doubling its impact on rural livelihoods by 2030.
- 49. The broad time frame for implementation of this updated DEF stretches from 2022 to 2030, but priority focus will be on the IFAD12 period to implement a number of the actions mentioned above in line with the RMF and the IFAD12 commitments matrix, as well as the existing KM Action Plan. The full roll-out plan, and relationship to existing commitments, will be determined by Management as other IFAD12 commitments are completed; monitoring through corporate portfolio stocktakes will be a consistent way in which Management is able to monitor the implementation of DEF 2.0.

Performance against DEF 2016

Activity	Action	Relevant IFAD11 RMF indicators/commitments RMF indicator (code: description) Commitment from matrix (#: description – deadline) N/A	Progress RMF figures (actual/target)* Commitment completion Other activities	Status
1. Project results focus	Results-based logic in 3 key project documents: PDR; project supervision report (PSR) ; PCR	<ul style="list-style-type: none"> 3.4.1: Overall rating for quality of project design (ratings 4 and above) (percentage) 3.4.2: Overall rating for quality of project design (ratings 4 and above) (percentage) (fragile situations only) 	<ul style="list-style-type: none"> 3.4.1: Above target (96/95) 3.4.2: Above target (94/90) 	Complete
	Use of development effectiveness checklists to ensure compliance, quality, evaluability	<ul style="list-style-type: none"> 3.4.1: Overall rating for quality of project design (ratings 4 and above) (percentage) 3.4.2: Overall rating for quality of project design (ratings 4 and above) (percentage) (fragile situations only) 	<ul style="list-style-type: none"> 3.4.1: Above target (96/95) 3.4.2: Above target (94/90) 	Complete
	M&E systems designed to capture real-time results	<ul style="list-style-type: none"> 3.4.3: Percentage of ongoing projects with a baseline by the end of the first year of implementation 3.7.6: Percentages of IFAD operations using ORMS 	<ul style="list-style-type: none"> 3.4.3: Below target (51.5/70) 3.7.6: On target (100/100) 	Partially complete
	Project restructuring policy	<ul style="list-style-type: none"> #17: Introduce project restructuring policy and corresponding procedures – due Q4 2018 	<ul style="list-style-type: none"> #17: Completed 	Complete
2. Governance and accountability for results	Establish unit within PMD to oversee results management and reporting, portfolio management, advance M&E, and interface with IOE	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Completed with formation of the Operational Programming and Effectiveness Unit (OPE) in and its transition to OPR according to DEF commitments 	Complete
	Clarify accountability arrangements by assigning co-responsibility for the country programme manager and technical leads	<ul style="list-style-type: none"> #16: Reform operations review and clearance process to render it more agile – due Q1 2019 	<ul style="list-style-type: none"> #16: Completed 	Complete
	Quality assurance validated by OPE at arm's length	<ul style="list-style-type: none"> #16: Reform operations review and clearance process to render it more agile – due Q1 2019 	<ul style="list-style-type: none"> #16: Completed Includes formation of the Quality Assurance Group according to DEF commitments 	Complete
3. M&E capacity in rural sector				
	Roll out training & certification programme in M&E and impact assessment for government counterparts	Training in M&E <ul style="list-style-type: none"> 3.7.7: Number of IFAD-funded projects that have received training through the Centers for Learning on Evaluation and Results (CLEAR) initiative, divided by the total number of active IFAD-supported projects #37: Launch phase II of PRiME to build country-level M&E – due Q3 2019 	Training in M&E <ul style="list-style-type: none"> 3.7.7: On target (85/85) #37: Completed 	Complete

Activity	Action	Relevant IFAD11 RMF indicators/commitments RMF indicator (code: description) Commitment from matrix (#: description – deadline) N/A	Progress RMF figures (actual/target)* Commitment completion Other activities	Status
	M&E costs explicitly budgeted in projects (3 to 5 per cent of total)	<ul style="list-style-type: none"> #46: Implement the value-for-money scorecard and report annually – due Q3 2020 	<ul style="list-style-type: none"> #46: Completed Tracked through review of DEM+ at PDR stage; percentage of projects are not tracked and quality of M&E budgeted costs varies by project 	Partially complete
	COSOPs have systematic analysis of country M&E capacity	<ul style="list-style-type: none"> 3.3.1: Relevance of IFAD country strategies (ratings of 4 and above) (percentage)** 3.3.2: Percentage of active COSOPs that undertook at least one COSOP results review during the cycle 3.3.3: Effectiveness of IFAD country strategies (ratings of 4 and above) (percentage)** 	<ul style="list-style-type: none"> 3.3.1: Above target (91/90) 3.3.2: Above target (94/80) 3.3.3: Approaching target (87/90) <p>Note:</p> <ul style="list-style-type: none"> COSOPs address important components of M&E risks, planning, and capacities (such as in M&E, stakeholder, partner, and risk sections) but do not yet have a systematic analysis of country capacity AVANTI grant helped develop AG-SCAN for 17 IFAD borrowing countries, but inclusion in COSOP has not been systematized 	Incomplete
	Mandatory training for CPMs/staff on use of results-based evidence in project management	<ul style="list-style-type: none"> 3.3.6: KM (ratings of 4 and above) (percentage)** 3.7.6: Percentages of IFAD operations using ORMS #29: Present KM strategy to Executive Board – due Q2 2019 #36: Pilot results-based lending – due Q2 2020 #38: Roll out ORMS – due Q1 2019 	<ul style="list-style-type: none"> 3.3.6: Above target (93/90) 3.7.6: On target (100/100) #29: Completed #36: Completed #38: Completed <p>Additional:</p> <ul style="list-style-type: none"> Offer training to country teams and some other regional or technical staff through grant initiatives (AVANTI, DELIVER, RESOLVE) – but these are not mandatory 	Partially complete
4. Use of evidence in portfolio management	Systematic analysis of portfolio for potential aggregate impact on IFAD's SOs	<p>Impact assessments</p> <ul style="list-style-type: none"> 2.1.1: Number of people experiencing economic mobility 2.1.2: Number of people with improved production 2.1.3: Number of people with improved market access 2.1.4: Number of people with greater resilience 2.1.5: Number of people with improved nutrition <p>Additional:</p>	<p>Impact assessments</p> <ul style="list-style-type: none"> 2.1.1: Tracked by impact assessment initiative (IAI) (reported 2022) 2.1.2: Tracked by IAI (reported 2022) 2.1.3: Tracked by IAI (reported 2022) 	Complete

Activity	Action	Relevant IFAD11 RMF indicators/commitments RMF indicator (code: description) Commitment from matrix (#: description – deadline) N/A	Progress RMF figures (actual/target)* Commitment completion Other activities	Status
		<ul style="list-style-type: none"> #49: Present midterm review (MTR) of the Strategic Framework to the Executive Board – due Q2 2021 	<ul style="list-style-type: none"> 2.1.4: Tracked by IAI (reported 2022) 2.1.5: Tracked by IAI (reported 2022) Additional: <ul style="list-style-type: none"> #49: MTR presented to September 2021 Executive Board Building beyond impact aggregation to report SDG contributions through mapping Core Indicators to SDG targets 	
	Systematic review of key portfolio components to create evidence base to design successful projects, drawing on best practices and lessons learned from other development organizations	<ul style="list-style-type: none"> 2.2.1: Overall project achievement (ratings 4 and above) (percentage) (PCRs) 2.2.2: Overall project achievement (ratings 4 and above) (percentage) (IOE) 2.2.3: Overall project achievement (ratings 5 and above) (percentage) (IOE) #15: Enact revised supervision and implementation support procedures – Q4 2019 #44: Revamp client survey and an approach to beneficiary feedback/engagement – due Q1 2019 	<ul style="list-style-type: none"> 2.2.1: Below target (85/90) 2.2.2: Tracked (76) 2.2.3: Tracked (25) #15: Completed #44: Completed Additional: <ul style="list-style-type: none"> Annual regional, thematic, and corporate stocktaking initiative 	Partially complete
5. Project M&E as basis for corporate results reporting	Cascade IFAD goals to country programmes and projects, and include in PSRs	<ul style="list-style-type: none"> #31: Updated procedures for country strategies to reflect IFAD11 commitments – due Q4 2018 #38: Roll-out ORMS – due Q1 2019 #41: Continue fine-tuning the RMF - ongoing 	<ul style="list-style-type: none"> #31: Completed #38: Completed #41: Ongoing 	Complete
	Revise project indicators & their measurement so consistent with RMF	<ul style="list-style-type: none"> #38: Roll-out ORMS – due Q1 2019 #41: Continue fine-tuning the RMF - ongoing 	<ul style="list-style-type: none"> #38: Completed #41: Ongoing (IFAD10 RMF revision, IFAD11 dashboard created, IFAD12 RMF developed and approved) Additional: <ul style="list-style-type: none"> Requirements and guidelines for core indicator measurement developed and disseminated Guidelines for COIs developed and disseminated 	Complete

Activity	Action	Relevant IFAD11 RMF indicators/commitments RMF indicator (code: description) Commitment from matrix (#: description – deadline) N/A	Progress RMF figures (actual/target)* Commitment completion Other activities	Status
	Enable Results and Impact Management System (RIMS) to be key component of corporate reporting (RMF)	<ul style="list-style-type: none"> 3.7.6: Percentages of IFAD operations using ORMS #38: Roll-out ORMS – due Q1 2019 	<ul style="list-style-type: none"> 3.7.6: On target (100/100) #38: Completed 	Complete
	Select subset of impact assessments as base to project aggregate impact on SOs & SDGs, priority for ex ante impact assessments	<p>Impact assessments</p> <ul style="list-style-type: none"> 2.1.1: Number of people experiencing economic mobility 2.1.2: Number of people with improved production 2.1.3: Number of people with improved market access 2.1.4: Number of people with greater resilience 2.1.5: Number of people with improved nutrition <p>Additional:</p> <ul style="list-style-type: none"> #41: Continue fine-tuning the RMF - ongoing 	<p>Impact assessments</p> <ul style="list-style-type: none"> 2.1.1: Tracked by IAI (reported 2022) 2.1.2: Tracked by IAI (reported 2022) 2.1.3: Tracked by IAI (reported 2022) 2.1.4: Tracked by IAI (reported 2022) 2.1.5: Tracked by IAI (reported 2022) <p>Additional:</p> <ul style="list-style-type: none"> #41: Ongoing Building beyond impact aggregation to report SDG contributions through mapping core indicators to SDG targets 	Partially complete (lacking ex ante)

* RMF actual figures are those reported in the 2021 RIDE.

** Client surveys.