
Response of IFAD Management to the review of the IFAD12 Results Management Framework

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Useful references: Report of the Consultation on the Twelfth Replenishment of IFAD's Resources ([GC 44/L.6/Rev.1](#))

Action: The Evaluation Committee is invited to review the response of IFAD Management to the review of the IFAD12 Results Management Framework.

Technical questions:

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Response of IFAD Management to the review of the IFAD12 Results Management Framework

I. Introduction

1. Management welcomes this new type of evaluation, which provides succinct and timely insights to feed corporate strategic and management tools. This review provided inputs for refining the Results Management Framework (RMF) for the Thirteenth Replenishment of IFAD's Resources (IFAD13), taking into account the learning from previous RMFs and the feedback collected from various IFAD departments. The review offered a valuable opportunity for learning about RMF design and implementation.
2. Management concurs with the general findings stemming from this review and has already internalized some of the actions outlined with regard to the way forward, such as the streamlining of indicators and the revision of targets, in the proposed version of the IFAD13 RMF. Other action areas, such as the creation of a community of practice (CoP) and the end-of-cycle report, will be pursued over a longer timespan, while others, such as costing indicators or undertaking external audits, are not deemed necessary, based on existing mechanisms. In addition, Management's view is that the findings related to the quality of project management unit (PMU) data deserve a separate, specific assessment, owing to the different nature of the responsibilities and challenges involved. The remainder of this document provides Management's perspective on the main findings of the review and insights on the way forward.

II. Considerations relating to the main findings

3. **Management concurs with the findings on the issue of PMU data quality in the review.** The quality of such data affects the accuracy of output, outcome and outreach indicators in tier II. More specifically, it affects 16 tier II indicators out of the total 67 indicators in the IFAD12 RMF, and 13 tier II indicators out of the total 56 indicators in the IFAD13 RMF. **It is important to clarify that, as part of their project management functions, PMU monitoring and evaluation (M&E) staff, not IFAD, are responsible for monitoring and collecting the data** that feed into these indicators, including the surveys for outcome-level data. IFAD undertakes thorough and structured consistency checks on the data it receives from PMUs, although quality assurance is mostly out of IFAD's direct control. For tier II, results are triangulated with the data from IFAD's impact assessments, in which PMUs have a less direct role.
4. **IFAD has devoted substantial effort to improving M&E capacity at country level, in spite of its limited direct control over this area.** The copious guidance material on M&E developed in recent years is synthesized and hyperlinked in an [online M&E resource note](#).¹ These resources complement the M&E trainings funded by the Program in Rural Monitoring and Evaluation (PRiME), which have been accessed by M&E officers and managers of IFAD-financed projects. IFAD also builds in-country capacity of PMUs while conducting impact assessments. In addition, IFAD has formulated an M&E action plan in 2023, under which it will develop a data-collection tool tailored to the core outcome indicators. This tool will be available to PMUs and data-collection firms to facilitate data gathering and standardization. Nonetheless, there is room for improvement in the measurement of outreach, outcome and output data, as acknowledged in recent editions of the Report on IFAD's Development Effectiveness (RIDE), the Report on IFAD's Mainstreaming Effectiveness (RIME) and the President's Report on the

¹ The guidance material includes the Core Indicator (CI) Framework, which provides detailed descriptions of CIs, detailed guidance on core outcome indicator surveys, including online training modules, two Operations Academy courses dedicated specifically to M&E and six training modules on M&E for IFAD projects.

Implementation Status of Evaluation Recommendations and Management Actions (PRISMA).

5. Linked to the above, **Management would welcome a separate evaluation with specific guidance on PMU M&E capacity.** This issue affects project monitoring, which is key to results delivery, and thus transcends the RMF tier II indicators. Management agrees with the Independent Office of Evaluation of IFAD (IOE) on the importance of ensuring that the M&E guidance developed and the training efforts carried out thus far yield results. To maximize its utility, an evaluation on M&E should be framed with an understanding of the limitations posed by working with PMUs, including the fact that responsibility, system processing and data ownership are in the hands of governments; in-country system capacity varies; and staff turnover limits knowledge retention. An evaluation on M&E would therefore need to be distinct from the review on the IFAD12 RMF, as the respective objectives, areas of responsibility, challenges and implementing environments are completely different.
6. **The review indicates areas for improvement in terms of ownership of RMF indicators across IFAD; however, it is important to clarify that the RMF encompasses a selection of indicators already in use** within various IFAD divisions to monitor performance at different levels. For example, indicators related to country performance are drawn from country strategic opportunities programme (COSOP) completion reports and from stakeholder surveys used at the regional division level to improve design. Similarly, indicators on project performance at completion are reviewed during regional portfolio stocktaking exercises, which discuss learning on areas for improvement. Management will continue to leverage these and other existing mechanisms to ensure that indicators are fully understood and owned by country directors, especially in the field. High staff turnover may have contributed to lower buy-in in recent years. Again, such efforts transcend the RMF and are even more relevant in the context of project design, implementation and results delivery on the ground.
7. **Management stands ready to collaborate on any future, independent review of the impact assessment methodology** to further confirm its robustness. It is worth noting that IOE has provided comments to the Executive Board on the sampling and extrapolation methodology. In addition, the extrapolation methodology has been externally validated by experts from the University of Minnesota, the University of Perugia, and the World Food Programme, and an academic paper outlining the extrapolation methodology was published in a well-regarded academic journal after undergoing extensive peer review.² It is also worth noting that IFAD maintains the strongest level of control over the quality of the impact assessment data, compared to other tier II indicators, given the less direct role of PMUs.

III. Management's perspective on the way forward

8. **Area 1. Consider moving away from the practice of establishing targets for nearly all indicators.** Management's position is aligned with that of IOE. For the IFAD13 RMF, Management's proposal is to move away from targets at the output and outcome levels and track results instead. The portfolio composition and the types of projects to be financed depend on demand from borrowing countries and thus change between replenishment cycles and from year to year. As a result, it is hard to predict what type of projects will be in IFAD's portfolio three to five years in the future, and the composition of the portfolio has a large impact on the results achieved. IFAD is proposing to track outreach, output and outcome indicators under tier II and continue to report on actual results achieved.

² Garbero, A. 2021. "Aggregate development effectiveness and externally-valid extrapolation: a fourth principle for Agency-Wide Performance Measurement Systems?" *Journal of Development Effectiveness*, 1 no.2: 117-144.

9. **Area 2. Develop and make available metadata for all RMF indicators.** Management concurs on the importance of metadata across the three tiers and has already started action in this regard. Metadata already exist for RMF indicators that are currently only accessible internally. As a first step, while developing the IFAD13 RMF, Management has worked on improving the detailed indicator definitions to enhance clarity as to how indicators are calculated and to reduce room for error. Indicator definitions are public,³ and IFAD will make them more accessible by posting them separately on a dedicated webpage. This metadata will be in addition to the impact assessment data, which Management intends to make publicly available.
10. In addition, Management will work on improving public metadata to further facilitate data collection and aggregation as well as indicator calculation. The IFAD impact assessment methodology is already well documented on the IFAD website and the impact assessment micro-website. Further development of metadata and data documentation for impact assessments is ongoing as part of implementing the new IFAD Data Governance Policy; outputs of this ongoing work will be published.
11. **Area 3. Take into account the (staff and financial) cost considerations associated with new/additional indicator data in selecting indicators and implementing the RMF.** In updating the RMF for IFAD13, Management has prioritized strategic indicators that can assess IFAD's performance in a holistic manner. In addition, in alignment with IOE's considerations on efficiency, Management has streamlined the number of RMF indicators from 67 to 56 under IFAD13. Management is also working on improving and automating the calculation of some indicators through the update of the RMF dashboard.
12. It is important to note that the majority of the costs associated with monitoring RMF indicators would exist even in the absence of the RMF, which comprises a selection of indicators already in use. For example, Management monitors several indicators that are important for managing the organization and the portfolio (e.g. pipeline delivery, implementation progress, disbursement and impact), and some of them are reflected in the RMF. Some of these indicators are also found in an online public [operations performance dashboard](#). Management will continue to seek efficiencies in monitoring all these indicators, including those that are part of the RMF.
13. **Area 4. Establish an IFAD CoP for all relevant indicators.** Management concurs with IOE's insight and is establishing a CoP on project-level M&E as part of its 2023 M&E action plan. Members will include IFAD staff and consultants who support project-level M&E. The group will join a growing number of external-facing CoPs. The M&E CoP will facilitate better information-sharing and better linkages between key actors involved in strengthening project-level M&E and will be embedded in IFAD's current knowledge management architecture. Improved RMF data will follow as an expected consequence of strengthened M&E. In the long term, this will likely improve the accuracy of outreach, outcome and output indicators under tier II.
14. **Area 5. Strengthen the credibility and reliability of all RMF indicator data.**
- (a) **Continue with the practice of conducting a self-assessment of the RMF at the end of each replenishment cycle and expand its scope to include the relevance and effectiveness of the RMF, challenges to data collection, quality assurance, analysis and its use.** Management is pleased to note the recognition of the self-assessment it undertakes on the progress and relevance of RMF indicators. The main conclusions of this

³ See IFAD13/2/R.2/Add.1, which contains preliminary definitions. IFAD is submitting the revised version of the IFAD13 RMF to the third session of the IFAD13 Consultation, to be held in November 2023, together with an updated (and public) version of indicator definitions.

exercise will be summarized in a dedicated annex of the replenishment report or in a stand-alone report to be presented to the third consultation session. The annex or stand-alone report will explain the rationale behind maintaining, modifying, substituting or eliminating an RMF indicator from one cycle to the next, drawing on lessons and experience from past RMFs and from the use of indicators. Moreover, each RIDE, in a dedicated annex, includes a description of the methodology applied to calculate RMF indicators, together with related limitations and challenges to data collection.⁴ Going forward, Management will continue to improve these tools to the extent possible, for example by including details on the quality assurance processes undertaken, while continuing to balance the length of the reports with their specific focus.

- (b) **As part of this self-assessment, the progress data reported in the end-of-cycle RIDE data must be subject to quality audits.** Management is committed to learning from experience and to continuing to improve the RMF through self-assessment and the continued support of IOE. However an independent quality audit would pose significant technical challenges, as each set of indicators is very different and would require different types of audits or reviews. Moreover, some of indicators are not suited to such audits (e.g. tier II indicators based on external PMU data or indicators related to ratings at completion). Nevertheless, where possible, IFAD undertakes a thorough quality assurance process in relation to data aggregation. Another consideration is that an external quality audit would carry a cost. Therefore, Management's view is that quality assurance should continue to be internal. Management will continue to work on improving quality assurance and will leverage IOE's evaluation products.
- (c) **In line with the practices of other international financial institutions, IFAD should use data from independent sources, when they are available.** Management uses data from independent sources at the tier I level of the RMF. For tier II, self-evaluation sources are used, as they are more up to date than independent sources and therefore allow for more timely monitoring of weaker areas. In addition, as these sources have been used for multiple replenishment cycles, they allow comparability across cycles. Targets have been set based on historical trends. Management and Member States will discuss the proposed IFAD13 RMF at the third session of the IFAD13 Consultation in November 2023; Management is open to further exploring options in consultation with Member States.
- (d) **This end-of-cycle assessment should be independently validated.** Management welcomes IOE's feedback on the quality of the documents on the next RMF and on the RIDE and its annexes and remains committed to addressing weaker areas to ensure better reporting.

⁴ See, for example, [EC 2023/122/W.P.4](#), annex VII.