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Investing in rural people

IFAD10 Results Measurement Framework (2016-2018)

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Consultation on the Tenth Replenishment of IFAD's Resources –
Third Session

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Abbreviations and acronyms

ARRI	Annual Report on Results and Impact of IFAD Operations
ARPP	Annual Review of Portfolio Performance
IFAD7,8,9,10	Seventh/Eighth/Ninth/Tenth Replenishment of IFAD's Resources
IOE	Independent Office of Evaluation of IFAD
MDG	Millennium Development Goal
M&E	monitoring and evaluation
MOPAN	Multilateral Organisation Performance Assessment Network
ODA	official development assistance
PoLG	programme of loans and grants
PoW	programme of work
PCR	project completion report
PSR	project status report
QA	quality assurance
RIDE	Report on IFAD's Development Effectiveness
RIMS	Results and Impact Management System
RMF	Results Measurement Framework

Executive summary

1. The proposed Results Measurement Framework (RMF) for the Tenth Replenishment of IFAD's Resources (IFAD10) reflects the evolution of IFAD's development engagement, its experience in using the IFAD9 RMF for performance management, reviews by authoritative third parties, and the views expressed by members of the IFAD10 Consultation. Recognizing that IFAD tracks and reports on a very wide range of performance issues through a number of other mechanisms, it is proposed that the RMF be streamlined and rationalized to focus on key indicators, particularly: the number of people reached; the number taken out of poverty; engagement in gender, climate change, nutrition and scaling up; rural transformations involved in stronger market linkages and financial connectedness; and IFAD's overall efficiency in delivering assistance. The RMF also includes, for the first time, an explicit theory of change laying out the assumptions behind IFAD's operations, and the linkage between those assumptions and the performance measures and targets articulated in the RMF.
2. The ultimate objective is to reach poor people with relevant and sustainable support for managing the new opportunities and challenges of a very rapidly changing rural milieu in the developing world – and through that, to help them move out of poverty. The IFAD9 RMF already had quality targets at the limits of the possible, given the nature and location of IFAD's project operations. In IFAD10, the aim is to consolidate and enhance performance improvements achieved in the IFAD9 period, rather than set new targets beyond what experience suggests is practically achievable.
3. The main focus of ambition in IFAD10 is the number of people reached. Reflecting the expansion of new operations in IFAD8 and IFAD9, relative to IFAD7, as well as shifts in the composition of those operations, the target for people reached by IFAD project operations has been significantly raised. The target for IFAD9 was 90 million, which had already been exceeded by 2013. The target for IFAD10 is 130 million people using the services of IFAD-supported projects, an increase of 44 per cent relative to IFAD9. Performance against this target is measured during project implementation. The number of people lifted out of poverty is measured only at project completion. As projects coming to completion during the IFAD10 period will almost entirely reflect the significantly lower level of operations during IFAD7, the target and metric for the number of people moving out of poverty remains unchanged at 80 million, with the expectation that this number will rise rather rapidly in future replenishment periods, as the expansion of assistance in IFAD8 and after is reflected in the projects coming to completion up to 10 years later.

IFAD10 Results Measurement Framework (2016-2018)

I. Introduction

1. In 2005, IFAD became the first United Nations institution to undergo an independent external evaluation. In response to the evaluation's findings, IFAD put in place what third-party assessments have cited as one of the most comprehensive and effective results management systems, of which the Results Measurement Framework (RMF) is a core component. The RMF consists of a suite of indicators and targets that serve to assess and drive improvement of the Fund's performance in achieving objectives relative to its development and institutional effectiveness and efficiency.
2. Along with the IFAD Strategic Framework 2011-2015 and commitments agreed with governing bodies, the RMF is a key element in the development of IFAD's medium-term plan and the annual plans at different organizational levels that underpin it. Progress against these plans is reviewed quarterly at divisional, departmental and corporate levels to monitor progress in achieving RMF targets and other commitments, and to determine actions to overcome challenges. Performance assessments draw on a range of third-party mechanisms in complementarity with IFAD's own self-evaluation system and the evaluations performed by the Independent Office of Evaluation of IFAD (IOE), including arms-length reviews of project quality-at-entry and annual in-country client/partner surveys. Results relative to targets in the RMF are reported annually to the Executive Board and its Evaluation Committee in the Report on IFAD's Development Effectiveness (RIDE), as well as at the mid-term review of IFAD's replenishments.
3. This paper proposes further development of the RMF to reinforce IFAD's capacity to manage its performance to achieve development and institutional objectives agreed by the the Tenth Replenishment of IFAD's Resources (IFAD10) Consultation for the 2016-2018 period. It draws on issues raised so far in the IFAD10 Consultation, recommendations made in recent external assessments of IFAD's effectiveness and corporate-level evaluations by IOE, and implementation experience with the IFAD9 RMF. The proposed IFAD10 RMF retains the structure of the IFAD9 RMF, with a more streamlined and strategically oriented indicator suite aligned to IFAD's theory of change.

II. Reflections on the IFAD9 RMF and improvements for IFAD10

4. Substantial changes were introduced to the RMF for the IFAD9 period to strengthen and more clearly demonstrate the Fund's impact and value for money. It is the first RMF of a multilateral development organization to set a target for the number of people lifted out of poverty – 80 million¹ over the 2010-2015 period.
5. Towards this, and representing one of the key commitments for the IFAD9 period, IFAD has been implementing an impact evaluation programme, using a range of rigorous methods, including randomized control trials. An Impact Evaluation Sourcebook has been prepared and is under review. Work on 26 ex-post impact evaluations (using quasi-experimental methods) is well underway; their completion and the preparation of an overall synthesis report are scheduled for May and December 2015 respectively. Research designs are being developed to evaluate the impact of a further five projects using randomized control trial methods. In addition, IFAD has been strengthening its project self-assessment system – the Results and Impact Management System (RIMS) (see annex). Also, in the context of IFAD9, indicators were refocused on critical areas, such as scaling up, the

¹ Performance against this target will be reported in 2015.

environment and natural resource management, adaptation of smallholders to climate change, gender and nutrition.

6. Reflecting the importance of increasing the Fund's cost and process efficiency, new indicators and more ambitious targets for operational and institutional efficiency were included in the IFAD9 RMF. As agreed in the IFAD9 deliverables, achievement of these targets is being underpinned by the introduction of new management tools, such as the time recording system and efficiency indicators for key processes in order to facilitate cost containment and target reduction, wherever possible.
7. As a consequence of these improvements, IFAD's results management system and the RMF received positive reviews by the 2013 Multilateral Organisation Performance Assessment Network (MOPAN) assessment,² the 2013 Multilateral Aid Review by the United Kingdom,³ and the IOE corporate-level evaluations of IFAD's institutional efficiency and efficiency of IFAD-funded operations⁴ and on IFAD replenishments.⁵ One of the main observations on the IFAD9 RMF relates to the volume of indicators, which increased from 50 in the IFAD8 RMF to 80 in IFAD9, and the belief that such a proliferation of indicators does not usefully support performance assessment and management; proposed revisions to the RMF for IFAD10 seek to address this. Another set of related recommendations was made for the articulation of a theory of change for IFAD, including a description of how results from one level to another of the RMF lead to achievement of IFAD's overall objectives (see section III).
8. Reflections on improvements to IFAD's RMF for the IFAD10 period are summarized in the remainder of this section. The IFAD9 RMF indicator suite was reviewed with the intent of optimizing its strategic focus, performance management value, and alignment with IFAD's theory of change (see paragraphs 16-19), resulting in a proposal to modify, add or drop some indicators, for a net reduction of 20 indicators compared with the IFAD9 RMF, with 27 indicators dropped and 7 added. Proposed indicators for the IFAD10 RMF are presented in section III(B). The indicators dropped include those showing very high achievement rates – such as at-entry quality of country strategic opportunities programmes, project relevance, submission of project monitoring reports, pending internal audit recommendations – that no longer need to be accorded high priority in proactive improvement management. Indicators that have been added, on the other hand, reflect the higher priority accorded to areas such as climate change, marketing and processing development, and grants management.
9. It should be noted, however, that the indicators dropped will continue to be measured and reviewed during annual portfolio review exercises. They will continue to be reported to IFAD Management through the Annual Review of Portfolio Performance (ARPP), and will be made available to the Executive Board for information.

Level 1 indicators: Global poverty and agricultural development outcomes

10. This level of the RMF tracks progress towards two sets of outcomes to which IFAD contributes: the reduction of poverty, hunger and malnutrition as measured under the first Millennium Development Goal (MDG); and official development assistance (ODA) to, and public investment and productivity in, the agriculture sector. The MDG indicators (noting that these may be superseded by new ones figuring in the Sustainable Development Goals framework to be approved in September 2015) and those on ODA and public investment in agriculture usefully provide an overall sense of the evolving context within which IFAD operates. Experience with the

² MOPAN, www.mopanonline.org.

³ www.gov.uk/government/publications/multilateral-aid-review-assessment-for-international-fund-for-agricultural-development-ifad.

⁴ EB 2013/108/R.3/Rev.1.

⁵ EB 2014/111/R.3/Rev.1.

agricultural productivity indicators, on the other hand, is that, while reflecting performance in an area of strategic priority for IFAD, they show negligible change year-to-year, and do not yield relevant insights for active management. Thus it is proposed they be eliminated.

Level 2 indicators: Development outcomes and impact delivered by IFAD-supported projects

11. At level 2, the RMF measures country-level project outcomes representing IFAD's contribution to level 1 development outcomes. The contributions are measured in terms of how well IFAD-funded projects perform against indicators selected by IOE and adopted by IFAD Management for the self-evaluation system.
12. Overall, level 2 indicators have served well in assessing the outcomes and emerging impact associated with IFAD-funded projects. Nonetheless, further refinements are warranted to make the assessment more robust and manageable, including:
 - (i) Change of the cohort reviewed annually from those reviewed in a given year to those completed within the two preceding years in order to ensure that the projects guided and supported by policies and business model modalities of the same period are reviewed together.
 - (ii) Reduction of the number of indicators monitored at this level, in line with the desire for streamlining.
 - (iii) Use of moving averages of three years, instead of two years, to keep data noise at a manageable level.

Level 3 indicators: Development outputs delivered by IFAD-supported projects

13. At level 3, the RMF reports on outputs – the products, goods and services delivered by the portfolio of active IFAD-supported projects – that contribute to the achievement of outcomes. It is important to note, however, that while IFAD-funded projects report outputs against some 70 indicators through the RIMS, only a subset of indicators is used to report performance through the RMF, i.e. indicators of strategic importance in achieving development objectives.

Level 4 indicators: Operational effectiveness of IFAD-supported country programmes and projects

14. At level 4, the RMF reports on indicators that measure the quality of IFAD-funded projects and country programmes at entry and during implementation. The indicators chosen for this level, in general, have served well in analysing the quality of projects and country programmes, although the current RMF lacks an indicator for assessment of grant performance. A relevant question is whether the same results can be achieved using a smaller set of indicators, including an indicator for grants, but eliminating those for factors that are no longer pressing management issues. Thus, with respect to monitoring and evaluation (M&E), the quality of project completion reports (PCRs) has improved significantly, and it is no longer an area requiring special management attention to raise performance. This is also the case for compliance with the RIMS impact survey. Thus this block of indicators could be dropped from the RMF for IFAD10. The ARPP would continue to report on these indicators to IFAD Management for monitoring of adequate levels of performance.

Level 5 indicators: IFAD's institutional effectiveness and efficiency

15. This level of the IFAD9 RMF comprises indicators spanning several dimensions of institutional effectiveness and efficiency: resource mobilization, human resource management, risk management, and resource efficiency and allocation. Level 5 indicators were significantly expanded in developing the IFAD9 RMF to better address resource allocation and efficiency. However, there is scope to decrease

their number, given strong similarities between some of them, and the achievement of levels of performance suggesting that they no longer represent areas requiring close monitoring for improvement.

III. Theory of change and proposed IFAD10 RMF

16. The theory of change presented here is articulated in broad terms to reflect the range of complementary work streams managed and supported by the Fund across some 260 active programmes in 90 countries that contribute to realizing the goals of enabling poor rural people to raise their incomes, strengthen their resilience and improve their food security.⁶ It is organized in two parts: the first outlines a high-level theory of change statement on the importance of smallholder agriculture and rural development in achieving several emergent post-2015 development goals; the second outlines causal links between expected results at different levels of the proposed IFAD10 RMF.

A. High-level theory of change statement: the strategic importance of smallholder agriculture and rural development in the post-2015 era

17. There is an impressive body of evidence showing that smallholder agriculture and rural transformation represent a win-win proposition for driving growth and reducing the massive scale of poverty and food insecurity in developing countries. The importance of this agenda is being reaffirmed in several key development forums, including in consultations on the post-2015 development agenda, where in the context of agreement on the overarching goal of eliminating extreme poverty by 2030, there is an emerging consensus on the need for goals on, inter alia, achievement of food and nutrition security, promotion of sustainable agriculture, equitable sharing of the benefits of economic growth, sustainable management of natural resources, and effective adaptation to climate change.
18. For achievement of the post-2015 development agenda, the advancing of policies, partnerships and investments for smallholder agriculture and rural transformation is of strategic importance. The key assumptions underpinning this belief include:
- **Investments targeting smallholders target the majority of the world's poor and hungry.** Today, and for the foreseeable future, the majority (over 70 per cent) of the extremely poor, hungry and malnourished people in developing countries live in rural areas, and can be found on small farms.
 - **Smallholders represent a critical engine of food supply, and can contribute far more than they currently do to food security and nutrition, the environment and the climate change agenda, and the sustainability of food systems.** There are an estimated 500 million smallholder farms supporting some 2 billion to 2.5 billion people, feeding up to 80 per cent of the population of sub-Saharan Africa and parts of Asia, managing a large share of the world's natural resources and ecosystems, despite often operating under great constraints in terms of asset base, access to inputs, technology, services and markets. Many developing countries may even have to double their food production to nourish their rapidly growing populations – this is a significant increase in demand that represents an important opportunity for smallholders.
 - **Investment in smallholder agriculture and rural transformation that integrates measures to boost opportunities for women will not only**

⁶ This is necessary for a theory of change framed at the organizational level and capturing expected results and implementation strategies embedded in multiple programmes (and countries) that are context-specific and nationally led, and in a variety of other global and regional programmes. This approach differs somewhat from one that may be adopted, for example, for individual development programmes (where theories of change are typically used), which have specific objectives and are grounded in a specific locational and temporal frame.

promote their empowerment and gender equality, but will in turn also contribute to the overall goals of enhanced agricultural productivity, and food and nutrition security.

Women make up 41 per cent of the agricultural workforce worldwide, and the majority of agricultural workers in south Asia and sub-Saharan Africa. However, they endure many forms of discrimination and generally have more-limited and less-secure access to or control over assets and productive services – even as heads of households. This inconsistency between the productive and managerial roles, on the one hand, and effective control over productive resources, on the other, has a negative impact not only on women themselves, but also on the nutrition and income of their households, as well as the entire agricultural system. It has been estimated that were women to have the same access to productive resources as men, they could increase yields on their farms by 20-30 per cent.

- **Raising agricultural productivity represents the most powerful way to reduce poverty and income inequality, as it maximizes gains accruing to the poorest people from growth, and is highly effective in stimulating non-farm economic growth, and indeed overall rural economic growth.** The 2008 *World Development Report*⁷ on agriculture indicates the following: growth in agriculture is at least twice as effective at reducing poverty as growth in any other sector of the economy; a 1-per-cent growth in agriculture may generate approximately 1.5-per-cent growth in non-agricultural sectors; a 1-per-cent gain in GDP originating in agriculture generates a 6-per-cent increase in overall expenditure of the poorest 10 per cent of the population, while the equivalent figure for GDP growth originating in non-agricultural sectors is zero.
- **Investment in smallholder agriculture can also reduce conflict, since the perpetration of violence in impoverished areas is intimately related to the problem of ensuring food security.**⁸ Poor performance in agriculture is also locked in a two-way relationship with conflict. Conflict and violence have significantly reduced agricultural production, particularly in Africa.⁹ Food production in 13 war-affected countries of sub-Saharan Africa from 1970 to 1994 was 12 per cent lower in war years compared with peace-adjusted values. Over the period 1970-1997, conflict-related losses in agricultural output amounted to some US\$121 billion (US\$4 billion per year).¹⁰
- **Public investment in smallholder agriculture yields this multiplicity of benefits very cost-effectively.** Neglect of the agriculture sector in macroeconomics and trade in many countries has starved it of resources and prevented it from contributing to growth and to the reduction of poverty and hunger, as it has done in countries where agriculture-led growth was prioritized. Mitigating this trend through renewed investment in smallholder agriculture provides a relatively cost-effective alternative to other forms of

⁷ World Bank, *World Development Report 2008: Agriculture for Development Policy Brief*. (Washington, D.C., 2008). <http://web.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTWDRS/0..contentMDK:23092617~pagePK:478093~piPK:477627~theSitePK:477624,00.html>.

⁸ De Soysa, I., and Gleditsch, N.P. (with Gibson, M. and Sollenberg, M.), "To Cultivate Peace: Agriculture in a World of Conflict", *Environmental Change and Security Project Report 5* (1999): 15-25. Cited in *Foresight and African agriculture: innovations and policy opportunities* (UK Government Office for Science: London, 2014). www.gov.uk/government/uploads/system/uploads/attachment_data/file/300277/14-533-future-african-agriculture.pdf.

⁹ Allouche, J., "Water and food systems in relation to political stability, migration and equality," *Food Policy* (in press). Cited in Pretty, J., Toulmin, C., and Williams, S. (2011): "Sustainable intensification in African agriculture," *International Journal of Agricultural Sustainability* 9 (1): 5-24. [Final publication details of Allouche article: "The sustainability and resilience of global water and food systems: Political analysis of the interplay between security, resource scarcity, political systems and global trade," *Food Policy* 36 (Supp. 1, January 2011): S3-S8.]

¹⁰ FAO, *The State of Food Insecurity* (Rome, 2000). Cited in Pretty, J., Toulmin, C., and Williams, S. (2011): "Sustainable intensification in African agriculture", *International Journal of Agricultural Sustainability* 9 (1): 5-24.

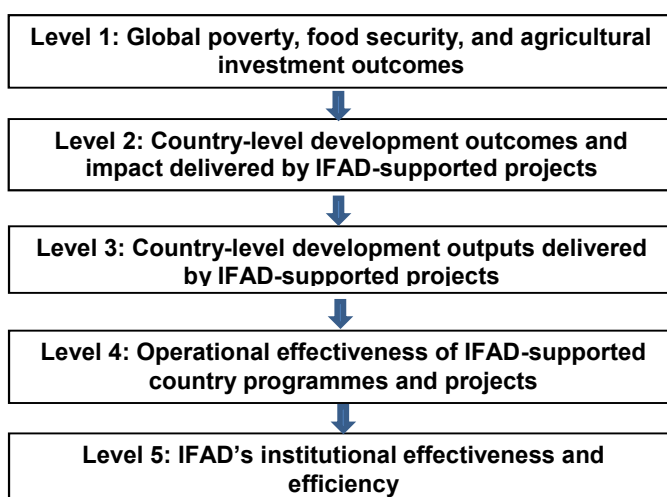
public assistance such as food aid or income transfers. For instance, while food aid costs over US\$250 per ton of cereal delivered to rural areas, producing the same amount on a small-scale farm typically costs US\$100 or less.¹¹

- **Well-conceived and targeted assistance (investment, policy dialogue and knowledge generation and sharing) catalyses domestic public and private resources to sustain and expand development.** This is notably exemplified by the significant positive results yielded by public/private partnership initiatives, which have established conducive conditions, incentives and safeguards for inclusive and mutually beneficial collaboration between smallholder farmers and public, private and civil society actors.
19. The diversity of smallholder agriculture and of the rural and national social, economic, geographical, environmental and political contexts means there will be a variety of development pathways within and around smallholder agriculture and rural development. Some general lessons can be drawn from the experience of countries that have achieved strong economic growth and substantially reduced poverty and food insecurity through agriculture. This experience shows the importance of an enabling environment for investment, with, inter alia, stable property rights, good governance and rule of law, contract enforcement, transparency and predictability of public decisions, well-functioning markets, and trade policies that do not undermine the smallholder agriculture sector. This experience also shows the importance of public investment in infrastructure, education and agricultural research and development.

B. The proposed IFAD10 RMF and its theory of change

20. This section presents the proposed RMF for IFAD10. In doing so, it also describes in general terms the assumptions underlying the results chain governing what IFAD does and how it goes about it – to ensure maximum impact on poverty and maximum value for money – as well as the corresponding logic of the choice of RMF indicators. If applicable, the latest baseline data and proposed targets for 2018 are shown. Where IFAD9 RMF indicators have been retained in the IFAD10 RMF, IFAD9 RMF targets for 2015 are also included for reference.

Overview of the impact pathway embodied in IFAD's RMF



¹¹ Hazell, Peter, *Five Big Questions about Five Hundred Million Small Farms*. Paper presented at the Conference on New Directions for Smallholder Agriculture, 24-25 January 2011 (Rome: IFAD, 2011), www.ifad.org/events/agriculture/doc/papers/hazell.pdf.

21. **RMF level 1 – Global poverty, food security and agricultural investment outcomes** – embodies the broader development goals to which IFAD contributes, tracked by measures of extreme poverty, food insecurity and investment in agriculture. This is premised on well-founded evidence and lessons, outlined in section III(A), that investment (in particular by the public sector) in smallholder agriculture and rural development is an extremely effective means of lifting substantial numbers of poor people out of poverty and food insecurity, and of sustainably enhancing their productive capabilities. This is essential in the provision of public goods (e.g. infrastructure and research and development), in shaping a conducive policy environment that fosters the engagement of the private sector and promotes good governance, and in securing poor peoples' access to productive resources, knowledge and financial services – to increase incomes derived from farm and non-farm activities and resilience to shocks. Moreover, increasing ODA to agriculture – especially to low-income countries – is a critical precondition, since domestic resource availability per capita remains extremely low on the whole, and the capacity to design and implement policies and programmes for smallholder agriculture and rural development is often weak.

Table 1

Level 1: Global poverty, food security and agricultural investment outcomes*

<i>Indicators</i>	<i>Source</i>	<i>Baseline (year)</i>	<i>Results (year)</i>
1.1 Global poverty and food security outcomes^d			
1.1.1 Population living on less than US\$1.25 a day	UN ^c	46.7% (1990)	22% (2010)
1.1.2 Prevalence of undernourishment in population	UN	23.6% (1990-1992)	14.3% (2011-2013)
1.1.3 Children under 5 underweight	UN	25% (1990)	15% (2012)
1.2 Global agricultural investment outcomes^d			
1.2.1 Level of ODA to agriculture ^a (billions of United States dollars)	OECD ^d	10.4 (2011)	11.5 (2012)
1.2.2 Developing countries with share of agriculture in total public expenditure of 5% or more ^b	IFPRI	38.3 (1995)	23.2 (2011)

* Depending on the final indicators in the Sustainable Development Goals framework (scheduled for approval in September 2015), level 1 indicators may be modified or slightly expanded (for consistency and relevance to IFAD's mandate), and will be reported on with reference to corresponding agreed targets in the RIDE from 2016 onwards.

^a Data are in constant 2012 prices.

^b International Food Policy Research Institute (IFPRI), *2013 Global Food Policy Report*, food policy indicators (Washington, D.C.: 2014).

^c United Nations, *The Millennium Development Goals Report 2014* (New York, 2014).

^d Organisation for Economic Co-operation and Development.

22. **RMF level 2 – Country-level development outcomes and impact delivered by IFAD-supported projects** – success in achieving global poverty and food security targets is predicated on development projects – such as those supported by IFAD – consistently attaining a strong impact on poverty and food insecurity within targeted populations. Recalling evidence and experience outlined in section III(A), realizing such impact in a timely, material and sustainable manner requires that smallholder agriculture rural development projects perform well against certain critical dimensions, most notably: efficiency, gender equality, sustainability, environment and natural resource management, adaptation to climate change, government performance, and the potential to scale up successes.
23. The most important indicator measured and reported at this level would be the number of people moving out of poverty. The Statistics and Studies for Development Division has devised robust methods for estimating this figure at project completion, which will be applied for projects completed during the six-year period 2013-2018. These projects were designed and financed during 2004-2009,

prior to the expansion of the programme of loans and grants (PoLG) and programme of work (PoW) that began in the IFAD8 period. The target for 2018 has been set keeping this consideration in mind, with the anticipation that numbers will eventually rise significantly as the increased resources committed in the IFAD8 and subsequent periods work through into completed projects.

Table 2

Level 2: Country-level development outcomes and impact delivered by IFAD-supported projects

<i>Indicators</i>	<i>Source</i>	<i>Baseline 2010-2012</i>	<i>IFAD10 target 2018</i>	<i>IFAD9 target 2015</i>
2.1 People moved out of poverty				
2.1.1 People moved out of poverty (million)		NA	80 ^a	80 ^b
2.2 Impact indicators				
2.2.1 Household asset ownership index	RIMS	NA	Tracked	Tracked
2.2.2 Level of child malnutrition (3 sub-indicators – acute, chronic and underweight); male:female ratio	RIMS	NA	Tracked	Tracked
2.2.3 Length of “hungry season” (number of months)	RIMS	NA	Tracked	Tracked
2.3 Outcome indicators, (percentage of projects rated moderately satisfactory or better) at completion				
2.3.1 Effectiveness	PCR	80	90	90
	IOE	79	Tracked	
2.3.2 Efficiency	PCR	63	75	75
	IOE	51	Tracked	
2.3.3 Rural poverty impact	PCR	82	90	90
	IOE	85	Tracked	
2.3.4 Gender equality	PCR	92	90	90
	IOE	82	Tracked	
2.3.5 Sustainability of benefits	PCR	72	75	75
	IOE	49	Tracked	
2.3.6 Replication and scaling up	PCR	88	90	90
	IOE	82	Tracked	
2.3.7 Environment and natural resource management	PCR	84	90	90
	IOE	64	Tracked	
2.3.8 Adaptation of smallholders to climate change	PCR	-	TBD	-
2.3.9 Government performance	PCR	69	80	80
	IOE	74	Tracked	

^a Total for the six-year period 2013-2018.

^b The IFAD9 target of 80 million was set for the six-year period 2010-2015. Hence, a comparable period was set for achieving the target for 2018.

24. **RMF level 3 – Country-level development outputs delivered by IFAD-supported projects** – outputs of IFAD-supported projects underpin the achievement of impacts and outcomes reflected in level 2 of the RMF. Maximizing outreach helps larger populations benefit from project support services, which should lead to these services having broader impact. The supply of programme outputs listed below (a subset of the full complex of indicators measured through the RIMS) enables smallholders to overcome key constraints, giving them access to a range of productive resources and inputs, knowledge, infrastructure, markets, financial and business services, and responsive institutions. As a consequence, over time, programme beneficiaries: become empowered socially and economically; can have brighter employment prospects; develop the capacity to invest; and increase their productivity and incomes sustainably, as well as their resilience. Ensuring that IFAD-supported programmes deliver these outputs effectively and efficiently is a key precondition of the poor moving up the “impact pathway”; this is the focus of the IFAD services captured by indicators at RMF level 4.

25. The number of people using the services of IFAD-supported projects is perhaps the most important indicator at this level. This is also the indicator that has shown the most progress in recent years, and the achievements in 2013 have already surpassed the target set for 2015. The target for 2018 has been set keeping these factors in mind. As noted in paragraph 23, a higher level of achievement during implementation will affect the number of people moving out of poverty with a time lag, given that the number is measured not during implementation, but at completion.
26. The dataset used at this level is sourced from RIMS and refers to ongoing projects; the data are mostly gender-disaggregated. In view of the demand-driven nature of IFAD projects, results for these indicators are tracked and thus no specific targets have been set.

Table 3

Level 3: Country-level development outputs delivered by IFAD-supported projects

<i>Indicators</i>	<i>Source</i>	<i>Baseline 2013</i>	<i>IFAD10 target 2018</i>	<i>IFAD9 target 2015</i>
3.1 Overall outreach				
3.1.1 People receiving services from IFAD-supported projects (million people; male:female ratio)	RIMS	98.6 (52:48)	130	90
3.2 Natural resource management				
3.2.1 Land under improved management practices (million ha)	RIMS	4.1	Tracked	Tracked
3.2.2 Land under irrigation schemes ('000 ha)	RIMS	278	Tracked	Tracked
3.3 Agricultural technologies				
3.3.1 People trained in crop and livestock production practices/technologies (million people; male:female ratio)	RIMS	6.4 (1:0.87)	Tracked	Tracked
3.4 Rural financial services				
3.4.1 Voluntary savers (million people; male:female ratio)	RIMS	19.1 (1:2.6)	Tracked	Tracked
3.4.2 Active borrowers (million people; male:female ratio)	RIMS	6.2 (1:1.5)	Tracked	Tracked
3.5 Marketing				
3.5.1 Roads constructed/rehabilitated ('000 km)	RIMS	20.1	Tracked	Tracked
3.5.2 Processing facilities constructed/rehabilitated (new)	RIMS	1 062	Tracked	Tracked
3.5.3 Marketing facilities constructed/rehabilitated (new)	RIMS	779	Tracked	Tracked
3.6 Microenterprise				
3.6.1 Enterprises accessing business promotion services ('000)	RIMS	88	Tracked	Tracked
3.7 Policies and institutions				
3.7.1 People trained in community management topics (million people; male:female ratio)	RIMS	1.8 (1:3.2)	Tracked	Tracked
3.8 Climate change adaptation				
3.8.1 Poor smallholder household members supported in coping with the effects of climate change* (new)	RIMS	NA	Tracked	Tracked

* Guidelines for measuring this indicator were issued in 2014, and it will be reported from 2015.

27. **RMF level 4 – Operational effectiveness of IFAD-supported country programmes and projects** – assesses the performance of IFAD-managed processes aimed at positively influencing the design, delivery and achievement of programme outputs reported at RMF level 3. The assumption is that enhancing the quality and efficiency of IFAD's business model and associated processes will lead to improved programme outputs. Achievement of agreed programme results is supported by: better project design responding to the needs and priorities of poor rural people; an effective portfolio management process identifying

underperformance in time for a course correction; offering proactive assistance to entities responsible for project implementation; and deepening knowledge on how policies for smallholder agriculture and rural development work in practice.

Table 4

Level 4: Operational effectiveness of IFAD-supported country programmes and projects

<i>Indicators</i>	<i>Source</i>	<i>Baseline 2013 or other</i>	<i>IFAD10 target 2018</i>	<i>IFAD9 target 2015</i>
4.1 Percentage of country programmes rated 4 or better during implementation for:				
4.1.1 Contribution to increased incomes, improved food security and empowerment of poor rural women and men	Client survey	90 (2013-2014)	90	90
4.1.2 Adherence to the aid effectiveness agenda	Client survey	90 (2013-2014)	100	100
4.1.3 Engagement in national policy dialogue	Client survey	83 (2013-2014)	85	70
4.1.4 Partnership-building	Client survey	92 (2013-2014)	90	90
4.2 Percentage of projects rated 4 or better at entry				
4.2.1 Overall average	QA	93	90	85
4.2.2 Overall average for projects in fragile states only	QA	80	85	80
4.2.3 Gender	QA	78	90	90
4.2.4 M&E	QA	85	85	80
4.2.5 Scaling up		76	80	80
4.2.6 Environment and climate change (new)	QA	-	TBD	-
4.3 Portfolio management				
4.3.1 Time from project approval to first disbursement (months)	GRIPS	15.9	14	14
4.3.2 Percentage disbursement ratio – overall	GRIPS	17.7	17	17
4.3.3 Percentage disbursement ratio – fragile situations*	GRIPS	22	20	18
4.3.4 Gender focus in implementation	PSR/ GRIPS	90	90	90
4.3.5 Percentage of projects rated moderately satisfactory or better with acceptable disbursement rate (against approved annual workplan and budget) (new)	PSR	55	65	-
4.3.6 Percentage of grants rated moderately satisfactory for overall implementation progress (new)	GSR	-	TBD	-
4.4 Cofinancing				
4.4.1 Cofinancing ratio	GRIPS	1.15 (2011-2013)	1.2	1.6

* Data represent disbursements in IFAD's list of fragile states, which combine a harmonized list agreed on by multilateral development banks and a list compiled by the Organisation for Economic Co-operation and Development (OECD).

Note: GRIPS = Grants and Investment Projects System; GSR = grant status report; PSR = project status report; QA = quality assurance

28. **RMF level 5 – IFAD's institutional effectiveness and efficiency** – focuses on the effective mobilization, allocation and efficient use of financial and human resources. The assumption is that strong performance in this area will focus resources on what adds most development value, with overall impact and quality delivered for less, in terms of total expenditures. As such, results at this level contribute, to varying degrees, to the achievement of results across all other RMF levels. The mobilization of resources through the replenishment process (particularly when provided as regular contributions) carries multiple efficiencies with respect to, inter alia: the actual process of resource mobilization; the subsequent channelling of resources into development programmes; and financial

management, accounting and reporting. Through process streamlining and effective resource planning, over time an increasing proportion of the Fund's budget and workforce can be engaged in the direct development interface, including by placing more staff in IFAD country offices, increasing IFAD's responsiveness to country demands, and participating in country-level policy and programming processes. Through innovative, fair and transparent human resource management practices, IFAD's workforce will become more diverse, engaged and, ultimately, more productive.

29. As part of the streamlining of its business processes, IFAD is reallocating tasks across various clusters, and this has resulted in a lower budget allocation target for cluster 1 for 2018. IFAD Management will ensure that activities more directly related to the delivery of field-level outcomes and impact are accorded the highest priority in allocating or reallocating budgetary resources.

Table 5

Level 5: IFAD's institutional effectiveness and efficiency

<i>Indicators</i>	<i>Source</i>	<i>Baseline 2013 or other</i>	<i>IFAD10 target 2018</i>	<i>IFAD9 target 2015</i>
5.1 Improved resource mobilization and management				
5.1.1 Percentage of pledges over replenishment target	Office records	95 (2014)	100	100
5.2 Improved human resources management				
5.2.1 Staff engagement index: percentage of staff positively engaged in IFAD objectives	Staff survey	75	75	75
5.2.2 Percentage of workforce from Lists B and C Member States	Office records	40	Tracked	Tracked
5.2.3 Percentage of women in P5 posts and above	Office records	30 (2014)	35	35
5.2.4 Time for filling professional vacancies (days)	Office records	105 (2014)	100	100
5.3 Improved administrative efficiency				
5.3.1 Share of budget allocations to:	Office records			
Cluster 1		60	60	65
Cluster 2		8.4		9
Cluster 3		25.6		20
Cluster 4		6.0		6
5.3.2 Ratio of budgeted staff positions in IFAD country offices to budgeted staff in headquarters country programme divisions	Office records	39.3	45	45
5.3.3 Ratio of actual administrative expenditures (including expenditures financed by management fees) to the PoLG funded by IFAD's resources and other resources under IFAD's direct management	Office records	12.73 (2011-13)	12.5	12.5
5.3.4 Ratio of actual administrative expenditures (including expenditures financed by management fees) to the PoW inclusive of project cofinancing (new)	Office records	7.6	7.5	NA
5.3.5 Ratio of actual administrative expenditures (including expenditure financed by management fees) to annual disbursements	Office records	19.7 (2011-13)	18.8	18.8

IV. Data sources

30. Data sources for level 1 will be mostly external, using standard sources such as the United Nations' *Millennium Development Goals Reports*, the World Bank's *World Development Report*, the United Nations Development Programme's *Human Development Report* and statistics gathered by the International Monetary Fund and the Food and Agriculture Organization of the United Nations (FAO). Level 2

results will be derived from three sources: (i) for people moving out of poverty, the impact studies being carried out by IFAD's Statistics and Studies for Development Division and project impact surveys; (ii) for household assets, child malnutrition and length of the "hungry season", IFAD's RIMS impact surveys; and (iii) for project outcomes, IFAD's rating of project performance at completion point. Level 3 results will be assessed using RIMS data, derived from all projects in the ongoing portfolio, supplemented by limited extrapolation when required, so that the results presented will always represent the entire portfolio. Most figures for level 4 results will be derived from quality-at-entry assessments, Oracle FLEXCUBE, the Grants and Investment Projects System (GRIPS) and project status report (PSR) ratings.

31. Once approved by the Replenishment Consultation, this revised RMF would be the principal instrument of management accountability to the IFAD governing bodies. With adoption of the revised RMF, IFAD will have equipped itself with a compact set of decision-making and accountability instruments, including the performance-based allocation system (PBAS), the RMF and evaluation. Simply put, IFAD will allocate money to countries (PBAS), spend it efficiently on priority themes and areas of interest to make an impact on rural poverty (evaluation) and report the results (RMF). IFAD will emphasize the RMF as a management – as opposed to reporting – tool. To this end, desired corporate results will be broken into their constituent elements for the use of successively lower administrative units, and will be assigned along with the accompanying levels of accountability.

V. Reporting on the IFAD10 RMF

32. In accordance with current practice, it is proposed that results relative to the IFAD10 RMF be reported annually to the Executive Board and Evaluation Committee through the RIDE report. This will be complemented with respect to key areas of outcome-level results (level 2) by the Annual Report on Results and Impact of IFAD Operations, prepared by IOE. Both reports will be underpinned by an in-depth annual portfolio review to assess project performance using a larger set of indicators, and on a disaggregated basis, by region, country and project. IFAD Management will also continue to monitor performance on all IFAD10 RMF indicators on a quarterly basis and to take corrective action as needed through the corporate performance review process.

Action plan for strengthening the self-evaluation system¹

1. A results management system functions properly only when the underlying results measurement system can provide accurate information on a timely basis. Realizing this, IFAD has developed a comprehensive self-evaluation system to measure progress on all RMF indicators. IFAD's self-evaluation system is an integral part of its RMF, through which a results focus is incorporated into all aspects of IFAD's work. Much of the information relative to IFAD projects and country programmes comes from this system.
2. Under the self-evaluation framework, the principal instruments for assessing performance can be classified into three phases:
 - (i) Design: quality enhancement and QA processes prior to approval;
 - (ii) Implementation: M&E, including RIMS and GRIPS; project supervision and loan administration; and portfolio reviews and analyses; and
 - (iii) Completion: PCRs and review of the uptake of evaluation recommendations agreed to by government and IFAD Management (President's Report on the Implementation Status of Evaluation Recommendations and Management Actions [PRISMA]).
3. The RIMS allows IFAD to better monitor, aggregate and report on the results and impact of IFAD-supported projects and programmes. RIMS indicators encompass three levels of the results chain as described below:
 - (i) **First-level results (outputs)** are quantitative measures of physical progress, e.g. hectares of irrigation schemes constructed, numbers of people trained in livestock production;
 - (ii) **Second-level results (outcomes)** look at the extent to which project initiatives were successful in reaching specific outcomes and the extent to which benefits are likely to continue after the end of project support; and
 - (iii) **Third-level results (impact)** measure the combined effects of project interventions on child malnutrition, household assets, literacy, length of the "hungry season", access to safe drinking water and to toilet facilities.
4. The portfolio review process is the main management tool used by the Programme Management Department and Senior Management to monitor and self-assess the performance of the portfolio. This includes measuring outputs; assessing efficiency, effectiveness and impact; identifying problems and appropriate solutions; and drawing lessons from experience. The portfolio review process is underpinned by the project supervision and implementation process, which serves as an important instrument for validating results and taking corrective measures, as necessary, to ensure the achievement of the project's goals efficiently and effectively. In terms of reporting, the portfolio review process contributes directly to the divisional and corporate portfolio review reports and to the RIDE.
5. A peer review of IFAD's independent and self-evaluation systems undertaken by the Evaluation Cooperation Group of the multilateral development banks concluded that most components of the self-evaluation system have been put in place or significantly strengthened since 2006, a development that represents a major accomplishment and thus it recommended basically fine-tuning of the existing system. In response, IFAD Management prepared this action plan for strengthening the self-evaluation system.

¹ EB 2011/103/R.6.

6. In meeting its action plan commitments, Management has already reviewed the RIMS first- and second-level results and has: (i) incorporated the climate change indicators; and (ii) refined the indicators and descriptors for other areas such as processing, marketing and agricultural technologies, which were part of the RIMS. It has also reviewed the impact assessment system (RIMS third level) and will be finalizing that revision soon. In response to the IOE corporate-level evaluation on IFAD's Supervision and Implementation Support Policy (completed in 2013), IFAD Management will issue revised project supervision guidelines for staff by the end of October 2014.²
7. For reporting in 2013, a total of 199 projects provided RIMS data on the first level – 94 per cent of the projects required to report. This represented a 9-percentage-point increase over the figures reported to the IFAD9 Consultation. For the second level, 113 projects reported results – an increase of 43 projects over the same period. The submission rate has also increased very significantly for the RIMS impact surveys, and currently baseline surveys are available for 177 projects – an increase of over 109 baseline surveys over the figures reported to the IFAD9 Consultation. By division, the submission rate is:

Table 1
Number of survey reports available

<i>Region</i>	<i>Baseline</i>	<i>Completion</i>
West and Central Africa	42	10
East and Southern Africa	27	4
Asia and the Pacific	58	20
Latin America and the Caribbean	23	3
Near East, North Africa and Europe	27	7
Total	177	44

8. The submission rate of PCRs – one of the critical components of the self-evaluation system – has improved significantly and currently stands at 100 per cent. The quality of the reports shows substantial improvement over the years as depicted in table 2 below:

Table 2
Quality of project completion reports

<i>Quality criterion</i>	<i>2006-2009 percentage</i>	<i>2010-2013 percentage</i>
Scope	83	86
Quality	76	84
Lessons learned	73	84
Candour	-	83

9. Moreover, the rating system for PCRs has also undergone significant change, and the country programme managers and country programme management teams are much more actively engaged in finalizing project completion digests and the rating of project performance. Finally, the entire rating database of PCRs has now been publicly disclosed, as are the 2-3 page digests. Full PCRs are accessible electronically on IFAD's intranet site. This database will be updated each year to reflect the latest addition of PCR digests and the most recent project performance ratings.

² IOE, Corporate-level evaluation on IFAD's Supervision and Implementation Support Policy, Report No. 2846 (Rome, 2013).