



IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Consultation on the Sixth Replenishment of IFAD's Resources – Fifth Session

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**ENABLING THE RURAL POOR TO OVERCOME THEIR POVERTY:
REPORT OF THE CONSULTATION ON THE SIXTH REPLENISHMENT
OF IFAD'S RESOURCES (2004-2006)**

The Consultation is hereby requested to consider the revised version of Part VI of the report.

VI. MEASURING RESULTS AND IMPACT

84. The need to assess and measure the results and impact of IFAD-supported operations has long been a concern in the Fund. This became more pressing with the adoption of the IFAD V: Plan of Action (2000-2002) which emphasized various interrelated areas in need of improvement, inter alia concerned with impact assessment and learning through project implementation. The Consultation was informed about IFAD current practice of measuring results and impact, new developments in unifying and strengthening this system and plans and expectations for future action.

85. The process that IFAD has been pursuing to measure and monitor results of project implementation has evolved over time to respond to new priorities and become increasingly efficient and comprehensive. It starts at the design stage, when a log frame, including results-oriented and sex-disaggregated indicators that can be referred to when measuring and monitoring results, is defined for each project. Baseline surveys are undertaken, usually in the first year of a project, to define the socio-economic situation of the target group, including indicators related to natural and human resources, productivity levels and living standards in general. Throughout project implementation, periodic progress reporting by ongoing projects, regular supervision and follow up missions as well as mid-term reviews provide IFAD with quantitative and qualitative information on interim results achieved



In particular the progress reports submitted directly by project management refer to measurable results achieved during the period under review (3, 6 or 12 months) and relate them to the expected outcomes as stated in the programme of work. Depending on the type of project they will provide data related to production factors (e.g. land area rehabilitated or put under irrigation, loans approved or repaid), output (e.g. tons of agricultural produce, number of cattle), institutional and capacity improvements (such as: number of groups established or of participants in training activities), etc. They comprise, moreover, up-to-date information on the use of funds supplied by IFAD and other financiers.

86. An IFAD-internal review process, based on individual “Project Status Reports (PSRs)”, serves to monitor these results on a regular basis. The PSRs are prepared by HQ-staff, using the information received from projects and cooperating institutions, the internal tracking system (Project Portfolio Management System PPMS) and their own country and project visits. Moreover, for each completed project, a “Project Completion Reports” is prepared by the Borrower with IFAD support and provides a description and assessment of the final results and outcome of the project. The data and information deriving from all these sources are compiled annually in the “Progress Report on the Project Portfolio”. This report, shared with the Executive Board during its first session each year, is progressively reflecting the increased emphasis put by IFAD on results and impact orientation. About ten projects undergo, moreover, interim and/or completion evaluations by the Office of Evaluation (OE) which permit an in-depth assessment of the social and economic impact of the project and the formulation of detailed lessons and recommendations.

87. While, in principle, the above-described process is comprehensive and ensures regular periodic reporting of project achievements, it has not been fully effective in serving as a basis for aggregation and coherent tracking of results. This is due mainly to diversity in defining baseline situations and indicators, lack of a unified methodology and shortcomings in the M&E-capacity of ongoing projects. IFAD has taken several steps in recent years to address these constraints, including (a) the introduction of the log frame methodology on an obligatory basis for the design and monitoring of all projects; (b) the development of a comprehensive Guide for Project M&E; and (c) the launching of an effort to establish a consistent and system-wide approach to assessing results and impact, based on seven domains of livelihood which were drawn from the *Rural Poverty Report 2001* and the *Strategic Framework for IFAD 2002-2006*.

88. The seven domains of impact are 1) impact on physical and financial assets; 2) impact on human assets; 3) impact on social capital and empowerment; 4) impact on gender equality; 5) impact on food security; 6) environmental impact; 7) impact on institutions and policies. Quantitative and qualitative indicators have been developed for each of these domains and are being field tested during the year 2002. Once confirmed, they will be applied to project log frames, regular monitoring activities and final impact assessments. While the list of indicators will vary according to type of project, objectives and target group, it can be anticipated that the following examples illustrate standard types that relate to positive or negative changes in each of the seven domains:

- Physical and financial assets: farmland, irrigation water, trees, livestock etc.; housing, radios, bicycles etc.; roads, storage facilities; savings and credit.
- Human assets: potable water, health services, primary education, adult literacy, professional skills;
- Social capital and people empowerment: availability and strength of grass-roots organisations and institutions; gender equity; access to information and knowledge; bargaining power in the market place; rural emigration;
- Food security (production, income and consumption): farm technology and practices; cropping area, yield and production mix; non-farm employment and income; frequency and magnitude of seasonal food shortage; household consumption;



- Environment and common-resource base: status of land, water, forest, pasture, fish stock etc; compliance with national environmental guidelines; measures to arrest environmental degradation; and
- Institutions, policies and regulatory framework: for rural finance; decentralisation; farmer organisation; public institutions and service providers.

89. The use of common sets of indicators throughout the project cycle and for all new projects will help to enhance the consistency of portfolio monitoring and provide the basis for the introduction of a unified performance measurement system that will quantify results on an appropriate basis by major categories of projects. The common indicators will be introduced for new projects as from 2004 onwards and become fully effective for the replenishment period 2004-2006. At the same time, the system of results monitoring for already ongoing projects will be strengthened. Initially this will be accomplished by exploiting more systematically the information provided in project progress and supervision reports, and in the medium term by introducing the use of a minimum set of common indicators in the monitoring and reporting systems of those project approved before 2004. As mentioned above (para. 85), the type of information provided by the projects differs according to the nature (category) of each project and refers for instance to tonnes of cereal produced, hectares of agricultural land rehabilitated or numbers of rural women trained in a specific period. In order to provide an aggregated view of measureable implementation results, the project portfolio will therefore have to be analyzed on the basis of the main categories of projects and quantifiable indicators be identified that can be monitored throughout a given category. For institution-building projects, for instance, such indicators may be the number of groups established and effectively working, the number of micro-projects launched and managed by each group, etc., while for irrigation projects, the areas irrigated and the increase in production would be more illustrative. Management will present for Executive Board approval a detailed framework for this results management system - both for new and existing projects - by December 2003. The proposal will include common indicators, baselines, categories for aggregation, etc. with timelines and milestones for implementation.

90. Enhancing the portfolio monitoring and reporting system along these lines will require some modifications in the related internal review processes and tracking systems (para 86) which will be identified and introduced for new projects from 2004 onwards. An information note on progress made and difficulties encountered in developing, establishing and implementing the system, will be submitted to the Executive Board in September 2004. The first "Progress Report on the Project Portfolio" to comprise consolidated information on the annual results achieved by major categories of projects would be available for review by the Executive Board in April 2005. As from this date onwards, the "Progress Report on the Project Portfolio" will also contain a brief account of the progress made and difficulties encountered in implementing the system.

91. With respect to improving the processes related to measuring results and impact also at the field level, IFAD has launched an initiative to further enhance the capacity of ongoing IFAD-supported projects for systematic monitoring and evaluation (M&E). To this effect, it has prepared, in consultation with its project partners, a comprehensive guide for M&E at the project level. Targeted primarily at managers, M&E officers and implementation partners of IFAD-supported projects, the guide is expected to become an important milestone in enhancing the effectiveness of M&E systems at the project level, including their capacity to measure impact and results. It is now being tested in the field in different regions and customized to reflect regional diversity. This involves workshops, training and the establishment of networks of consultants and technical advisors with expertise in the fields of M&E and impact-oriented management. Measurement of progress in gender equality and regular disaggregation of M&E data by gender will be cross-cutting concerns. Translation of the guide into local languages will be part of its customization.

92. In order to even further enhance its capability of measuring results and assessing impact, IFAD has also developed a new methodological framework for evaluation. The objectives of the latter are



to: (i) better measure and evaluate impact at project completion; (ii) produce a consolidated picture of the results, impact and performance of about ten completed projects evaluated during a given year; and (iii) synthesize learning from evaluations. The methodology consists of a set of common evaluation criteria, including the above-mentioned seven categories of impact indicators for rural poverty reduction (para 88) and three overarching factors - sustainability, innovation and scaling-up. IFAD has started applying this methodology in all project evaluations conducted by OE. The use of common criteria will ensure that impact is systematically assessed and results are comparable across projects and permit to provide an overview of the impact and performance of a group of completed projects evaluated during the course of a given year. This consolidated overview will be presented in annual reports on IFAD's impact and development effectiveness. This new type of report – to be issued first in 2003 by OE – will complement the “Annual Progress Report on the Project Portfolio” (see para 86) and provide IFAD management and the Executive Board with an independent, consolidated picture of results, impact achievement and effectiveness, as well as a summary of lessons learned on the basis of the project evaluations undertaken during the reporting year.