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Enabling poor rural people
to overcome poverty

Results Measurement Framework for the Eighth Replenishment period (2010-2012)

Executive Board — Ninety-seventh Session
Rome, 14-15 September 2009

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal points with any technical questions about this document before the session:

Kevin Cleaver

Assistant President, Programme Management Department (PMD)
telephone: +39 06 5459 2419
e-mail: k.cleaver@ifad.org

Shyam Khadka

Senior Portfolio Manager
telephone: +39 06 5459 2388
e-mail: s.khadka@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra

Governing Bodies Officer
telephone: +39 06 5459 2374
e-mail: d.mcgrenra@ifad.org

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Abbreviations and acronyms

AfDB	African Development Bank
AfDF	African Development Fund
ARRI	Annual Report on Results and Impact of IFAD Operations
AsDB	Asian Development Bank
AsDF	Asian Development Fund
COSOP	country strategic opportunities programme
CPPMS	Corporate Planning and Performance Management System
CSO	civil society organization
IDA	International Development Association
IFI	international financial institution
IMF	International Monetary Fund
MDG	Millennium Development Goal
MfDR	managing for development results
OE	Office of Evaluation
PBAS	performance-based allocation system
PPMS	Project and Portfolio Management System
PPR	Portfolio Performance Report
PSR	project status report
QA	quality assurance
RB-COSOP	results-based country strategic opportunities programme
RIDE	Report on IFAD's Development Effectiveness
RIMS	Results and Impact Management System
RMF	Results Measurement Framework
RMS	Results Measurement System (IDA)
WATS	Withdrawal Application Tracking System

Recommendation for approval

The Executive Board is invited to approve the revised Results Measurement Framework for IFAD's Eighth Replenishment period (2010-2012).

Executive summary

1. IFAD is a signatory to the Paris Declaration on Aid Effectiveness and thus fully committed to managing and implementing aid in a way that focuses on the desired results and enhances mutual accountability and transparency in the use of development resources. In this light, a Results Measurement Framework (RMF) for the period 2007-2010 was presented to and approved by the Executive Board in September 2007. The RMF focused on monitoring progress towards strategic objectives and principles of engagement contained in the IFAD Strategic Framework 2007-2010.
2. A first draft of a revised RMF for the period 2010-2012 was presented to the Third Session of the Consultation on the Eighth Replenishment of IFAD's Resources held in July 2008. The feedback received provided IFAD Management with essential input for improving the framework. A second draft was presented at an informal seminar of the Executive Board held on 28 April 2009. The present version of the RMF incorporates suggestions made during that informal seminar. Its primary purpose will be to enable IFAD to measure and improve its development effectiveness. Its adoption will contribute to advancing the "managing for development results" agenda throughout the organization.
3. The overall structure of the RMF has been conceived as an approximate hierarchy in which an immediate lower-level result underpins, explains and contributes to higher-level results. Once approved by the Executive Board, this RMF would be the principal instrument of management accountability to the Board. Thus its scope has been expanded substantially over the current RMF. It is also aligned with the reporting instruments of most other international financial institutions (IFIs).
4. With the 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).
5. The proposed RMF covers five levels, reflecting the different ways in which IFAD achieves, or contributes to the achievement of, development results:
 - **Level 1** includes the indicators most closely connected to broad economic and poverty reduction results. At this level, IFAD will monitor the progress made in achieving the United Nations' Millennium Development Goals most relevant to IFAD's mandate. Two additional indicators related to agricultural investments have been included.
 - **Level 2** assesses country-level outcomes in terms of opportunities created for citizens in partner countries, measured in terms of relevance, effectiveness, efficiency, rural poverty impact, innovation and sustainability of IFAD operations.
 - **Level 3** measures key outputs that underpin the country-level outcomes generated by IFAD operations. These include the products, goods and services that result from IFAD-supported projects and that are relevant to the achievement of outcomes. Examples include area brought under irrigation, number of active savers and borrowers, and people trained.
 - **Level 4** focuses on the quality of country programme and project design and implementation support. IFAD will use a composite measure of income, food security and empowerment of rural women and men measured at the point of entry, using both the arms-length quality assurance process and the results of the attitude survey of IFAD's

in-country partners and clients. The survey involves representatives of governments, donor agencies and civil society organizations engaged with IFAD's ongoing country programmes.

- **Level 5** measures IFAD's institutional efficiency, focusing on key areas such as the overall cost of managing the institution and capturing the performance of some critical business processes (e.g. management of investments, human resources and risk).
6. Together, the first three levels will provide assessment of IFAD's development effectiveness; level 4 will measure IFAD's operational effectiveness; and level 5 its organizational effectiveness. IFAD has more immediate and direct control over the last two levels. Its influence diminishes progressively with upward movement in the hierarchy. An effort has been made to ensure that the indicators selected, when combined, measure the changes expected at a particular level. Targets have been set against most indicators. However, a minority of indicators will simply be tracked. Targets have been set at a relatively higher level compared with the targets for the 2007-2010 period.
 7. Most information for RMF reporting is available through existing IFAD data-collection instruments. Thus the incremental investment will be for some improvement in data quality, but not for running an additional administrative structure to collect data.
 8. The annual Report on IFAD's Development Effectiveness will be the main reporting vehicle for the corporate-level RMF. The Office of Evaluation's Annual Report on Results and Impact of IFAD Operations will enable the Executive Board to assess achievement against most of the key areas of "results at outcome" (level 2), using independent evaluation. Senior Management will maintain the annual portfolio review exercise to assess performance at levels 2, 3 and 4 using a larger set of indicators. Quarterly "performance conversations", involving the results areas in levels 4 and 5, will continue to provide an opportunity for more frequent review of results.
 9. The proposed RMF is subject to some limitations common to all IFIs. The inability to "attribute" results of macro outcomes to IFAD is one such generic issue. The organization also faces difficulties in measuring outputs in policy dialogue and in establishing the linkages among diverse levels of results. There are issues related to the timely availability of data, their quality, subjectivity and small sample size. IFAD has been working with other IFIs to share experiences and learn from them. There is a clear need to institutionalize IFAD's management culture further by progressively moving from a rules-based, budget-driven system to a results-based one.

Results Measurement Framework for the Eighth Replenishment period (2010-2012)¹

I. Introduction

1. IFAD is a signatory to the Paris Declaration on Aid Effectiveness and thus fully committed to managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making.² It is also committed to enhancing mutual accountability and transparency in the use of development resources.³ In line with the Accra Agenda for Action, IFAD believes that its performance will be judged by the impact its efforts have on the lives of rural poor people.⁴ Delivering and accounting for development results is thus central to IFAD's ongoing change and reform efforts. It is fully committed to managing for development results (MfDR) as a means to improve its development effectiveness and optimize its contribution to reducing rural poverty in developing countries. "Focus on results" is one of the organization's core values. For IFAD, MfDR serves to improve performance not only of the programmes it supports, but also within IFAD itself.

II. Overview of IFAD's Results Measurement Framework (2007-2010)

2. In line with IFAD's international commitment and following approval of the IFAD Strategic Framework 2007-2010, a Results Measurement Framework (RMF) was presented to and approved by the Executive Board for the first time in September 2007. The RMF focused on monitoring progress towards strategic objectives and principles of engagement contained in the Strategic Framework. Parallel with development of the RMF, IFAD made progress in establishing a system for performance planning, monitoring and accountability. Relevant indicators to assess results at different levels were developed and refined over time. These indicators serve primarily for internal management purposes, but also for external reporting to IFAD's governing bodies. A subset of these indicators, along with their targets and measurement systems, forms the existing RMF, which represents a performance and accountability compact between IFAD and its governing bodies.
3. Under the existing RMF, IFAD measures results at two levels: country programme quality and individual project quality. All indicators for country strategic opportunities programmes (COSOPs) and projects are measured just before Board presentation, again during implementation, and by the Office of Evaluation (OE) at completion. The ability to measure the same indicators for the same projects and COSOPs at entry into the IFAD portfolio and at completion is a distinguishing feature of the RMF. It produces a comprehensive picture of performance, comprising actual results and impact based on data from completed projects. It also provides indications on prospective results and achievements to be generated by recently designed and ongoing projects (leading indicators). This structure helps IFAD understand whether weaknesses found in completed projects and country strategies are being adequately addressed (or not) in younger-generation projects.

¹ This paper was prepared by an interdepartmental working group led by Kevin Cleaver, Assistant President, Programme Management Department (PMD). Members of the group consisted of: Gary Howe, Hisham Zehni, Edward Heinemann, Ashwani Muthoo, Liz Davis, Khalid El-Harizi, Lenyara Khayasedinova, Willem Bettink, Brian Baldwin, Theresa Rice and Shyam Khadka. The paper also benefited from the comments of other staff members, shared in a joint meeting of Senior Management and the Change and Reform Management Team.

² High-level Forum on Aid Effectiveness, *Paris Declaration on Aid Effectiveness* (Paris, 2 March 2005), paragraph 43.

³ *Ibid.*, paragraph 47.

⁴ High-level Forum on Aid Effectiveness, *Accra Agenda for Action* (Accra, Ghana, 2-4 September 2008), paragraph 22.

4. IFAD's evaluation instruments use a six-point scale over all performance assessment indicators. Under this arrangement, a rating of 6 is equal to highly satisfactory; 5 to satisfactory; 4 to moderately satisfactory; 3 to moderately unsatisfactory; 2 to unsatisfactory and 1 to highly unsatisfactory. Thus a score of 4 or higher reflects overall positive performance, and indicators in the existing RMF show the percentage of projects/country programmes performing positively.
5. At the country programme level, two indicators are tracked: (i) percentage of country programmes rated moderately satisfactory or better for their (projected) contribution to increasing incomes, improving food security and empowering poor rural women and men; and (ii) percentage of country programmes rated 4 or better for adherence to the aid effectiveness agenda.
6. At the project level, four indicators are tracked. The first assesses performance against the percentage of projects rated 4 or better for effectiveness in one or more of six thematic areas of engagement (e.g. natural resource management, rural financial services).⁵ The second indicator uses the same metric, but measures performance against the impact on poverty within the target group, using sub-indicators related to physical and financial assets, food security, empowerment and gender equality. The next two indicators measure performance against innovation, learning and/or scaling up, and sustainability of benefits.
7. The data-collection systems on which results measurement depends are being mainstreamed in IFAD's business processes. RMF measures were reported to the Board in full in 2008, drawing on data from the new quality review mechanisms introduced that year. These included the project quality-assurance system for projects at entry, the client/partner survey for country programme performance assessment, and new during-implementation, project-related measures tracked through the modified project status report (PSR) – an internal tool for reporting on the performance of ongoing projects. A comprehensive set of information was presented in December 2008 in the Report on IFAD's Development Effectiveness (RIDE).
8. IFAD's current RMF has been in effect for a relatively short period, but has made a number of contributions towards: (i) realization of the need for, and understanding of, the linkages between organizational effectiveness and development effectiveness; (ii) improvements in the alignment of data/information-collection instruments, core business processes and the overall development effectiveness of IFAD operations; (iii) enhanced efforts to understand the causal relationship between inputs, outputs and outcomes; and (iv) ensuring that IFAD's key business processes remain firmly focused on achievement of the organization's strategic priorities.
9. Experience has also revealed some issues of the existing RMF with methodology and comprehensiveness: (i) inconsistencies in the level of objectivity between indicators, with some being objective and others subjective; (ii) absence of any direct measures of programme impact on poverty; and (iii) absence of measures of IFAD's organizational effectiveness and efficiency. A further, but inevitable issue – given the infancy of some underlying review mechanisms – is the small sample size and lack of historical data, principally for results-based COSOPs (RB-COSOPs), project at-entry measures and client/partner surveys.

III. Summary of the frameworks of other institutions

10. The proposed RMF for 2010-2012 is a revision of IFAD's existing RMF. To assist in this revision, IFAD wanted to learn from the experiences of other international financial institutions (IFIs). In particular, the International Development Association (IDA), the African Development Fund (AfDF) and the Asian Development Fund

⁵ The term "effectiveness" indicates the degree to which the project will meet its development objective(s).

(AsDF) all concluded their replenishment exercises between October 2007 and April 2008. IFAD's revised RMF draws heavily on the results frameworks of all three, and builds on their form and principles.

11. A table comparing the proposed RMF of IFAD with that of the three other IFIs – the World Bank, the African Development Bank (AfDB) and the Asian Development Bank (AsDB) – is presented in appendix I. The principal features are summarized below.
12. **World Bank.** IDA's Results Measurement System (RMS), built up over the past five years, has become an integral part of the World Bank's effort to enhance its results orientation. Its RMS focuses on both development effectiveness and agency effectiveness with two tiers of indicators. Tier 1 is a set of 14 indicators selected to track trends in the economic and social progress of IDA countries – the 'big picture' outcomes relevant to IDA's overall development strategy. They focus above all on the climate for sustainable growth, investing in poor people in terms of growth and poverty reduction, governance and investment climate, infrastructure for development, and human development. Tier 2 tracks IDA's contribution to development outcomes using only five indicators of the quality and effectiveness of IDA programmes: at entry into IDA's portfolio, during implementation and at completion (similar to IFAD's existing RMF). It also provides examples of the outputs that IDA produces in four sectors: health, education, water supply and sanitation, and transport (e.g. kilometres of roads built, number of children in school). IDA considers its experience with implementation of the RMS to be encouraging: it captures trends in country-level outcomes in IDA countries, and it is claimed to be directly shaping a "results culture" in the management of IDA resources.
13. Implementation of the World Bank's RMS has raised some issues to be addressed in the coming years. These include revising some of the Tier 1 indicators to better reflect IDA's strategic direction and challenges, and continuing to support improvements in the quality and frequency of data collection and reporting in IDA countries. In Tier 2, a number of modifications are proposed to address some remaining areas of weakness: the quality of outcome indicators, the availability of baselines for all project outcome indicators at entry, the quality of output and outcome reporting in implementation completion reports for IDA operations, and the need to capture the contribution of IDA's analytic and advisory services at the country level. Finally, IDA will work with its partners to strengthen the focus on statistical capacity at the country level, including fostering demand and examining financing modalities.
14. **African Development Bank.** AfDB introduced a results measurement framework in 2003 as part of a broader commitment to the Global Agenda on Managing for Development Results. In recent years, its RMF has been refined towards a focus on development and institutional effectiveness. AfDF is now seeking to consolidate its two-tiered framework, with an increased focus on AfDF priorities such as progress on governance and regional integration in Africa, and on institutional reform. Its 19 indicators of development effectiveness will measure outcomes at country and regional levels in terms of growth and poverty reduction, governance and transparency, regional integration and trade, private-sector development and investment climate, economic infrastructure, and human development. Its 17 indicators of institutional effectiveness at the agency level will measure quality-at-entry for strategies and operations, the supervision culture, enhanced learning and accountability, and improved results on the ground through decentralization and harmonization.
15. Two aspects require particular reinforcement. First, AfDF/AfDB recognizes that it is less adept in tracking its contribution to development effectiveness on the ground than it is in monitoring its own internal institutional reforms. Second, while AfDB

has a policy framework for its operations on a par with other major development organizations, implementation remains incomplete and is hampered by insufficient information systems, incentives and management attention. Its new RMF for AfDF-11 (2008-2010) emphasizes measures to directly strengthen the focus on results on the ground, rather than on aspects of internal institutional reform. It will also focus on strengthening the incentives and systems that drive implementation of good policies, and will report on the results achieved through annual reports to its board of directors.

16. **Asian Development Bank.** To improve its effectiveness, AsDB is reinforcing its corporate results management system. This process includes aligning the results framework with AsDB's new long-term strategic framework (2008–2020). The updated results framework will be used in assessing AsDB's overall performance, including progress in AsDF operations. The proposed framework builds on AsDB's experience and on best practices in other multilateral development institutions, particularly IDA and AfDF.
17. Results will be assessed at four levels: level 1 covers Asia and Pacific outcomes, through 21 indicators of poverty and human development. Level 2 includes AsDB's contribution to country outcomes, through key outputs in the five sectors of transport, energy, water, education and finance (19 indicators). Level 3 deals with AsDB's operational effectiveness, defined in terms of operational quality and performance, finance mobilization, knowledge development and partnerships (14 indicators). Level 4 focuses on AsDB's organizational effectiveness, in terms of use of human and budgetary resources, and of business processes and practices (11 indicators).
18. Using the updated results framework, AsDB will report each year on its performance – including that of AsDF programmes – through its new development effectiveness review, which will be developed by the second quarter each year and circulated to AsDB's board of directors for discussion. This report will inform management of progress and identify areas needing further action. Agreed actions will be incorporated into the three-year rolling work programme and budget framework. The 2009 review will be prepared in time for the AsDF X mid-term review, which should be conducted towards the latter part of 2010.

IV. IFAD's revised Results Measurement Framework (2010-2012)

A. Process followed

19. IFAD prepared a first draft of its revised RMF for 2010-2012 based on experience gained with the 2007-2010 RMF. The draft was presented to the third session of the Consultation on the Eighth Replenishment of IFAD's Resources, held in July 2008. Subsequently, the discussions that took place on the consultation document (REPL. VIII/5/R.2/Rev.1) provided IFAD Management with essential input for improving the framework. A review of the RMFs of other IFIs and United Nations agencies, summarized in part above, also contributed to the proposal.
20. A second draft of the revised RMF was presented at an informal seminar of the Executive Board held on 28 April 2009. In endorsing the overall structure of the proposed RMF, Board members suggested that IFAD Management: reflect further on the balance of coverage versus associated costs; review the targets set, including those for the administrative efficiency ratio; and look at how the monitoring system would be administered. The new RMF has been finalized based on feedback received during that informal seminar.

21. Many of the shortcomings of the 2007-2010 RMF have been addressed in the revised RMF presented here. Results and Impact Management System (RIMS) output indicators, which directly measure results on the ground in various sectors, have now been made an integral part of the proposed RMF. IFAD's total outreach in terms of households being served has also been added. In light of concerns about data objectivity, during-implementation project ratings have been eliminated altogether, and OE's at-completion measures on country programme and project performance have been added. Given the revised RMF's expanded purpose as a comprehensive accountability instrument for the Eighth Replenishment period, the range of measures has been extended to cover key dimensions of organizational effectiveness and efficiency. These are indicators used regularly as part of IFAD's Corporate Planning and Performance Management System (CPPMS). Thus the indicators used for internal management purposes and those used to report to the Board and the public are identical. Finally, compared with previous versions of the revised RMF reviewed by the Consultation, the present version has been restructured to reflect a plausible hierarchy of results.

B. Objectives

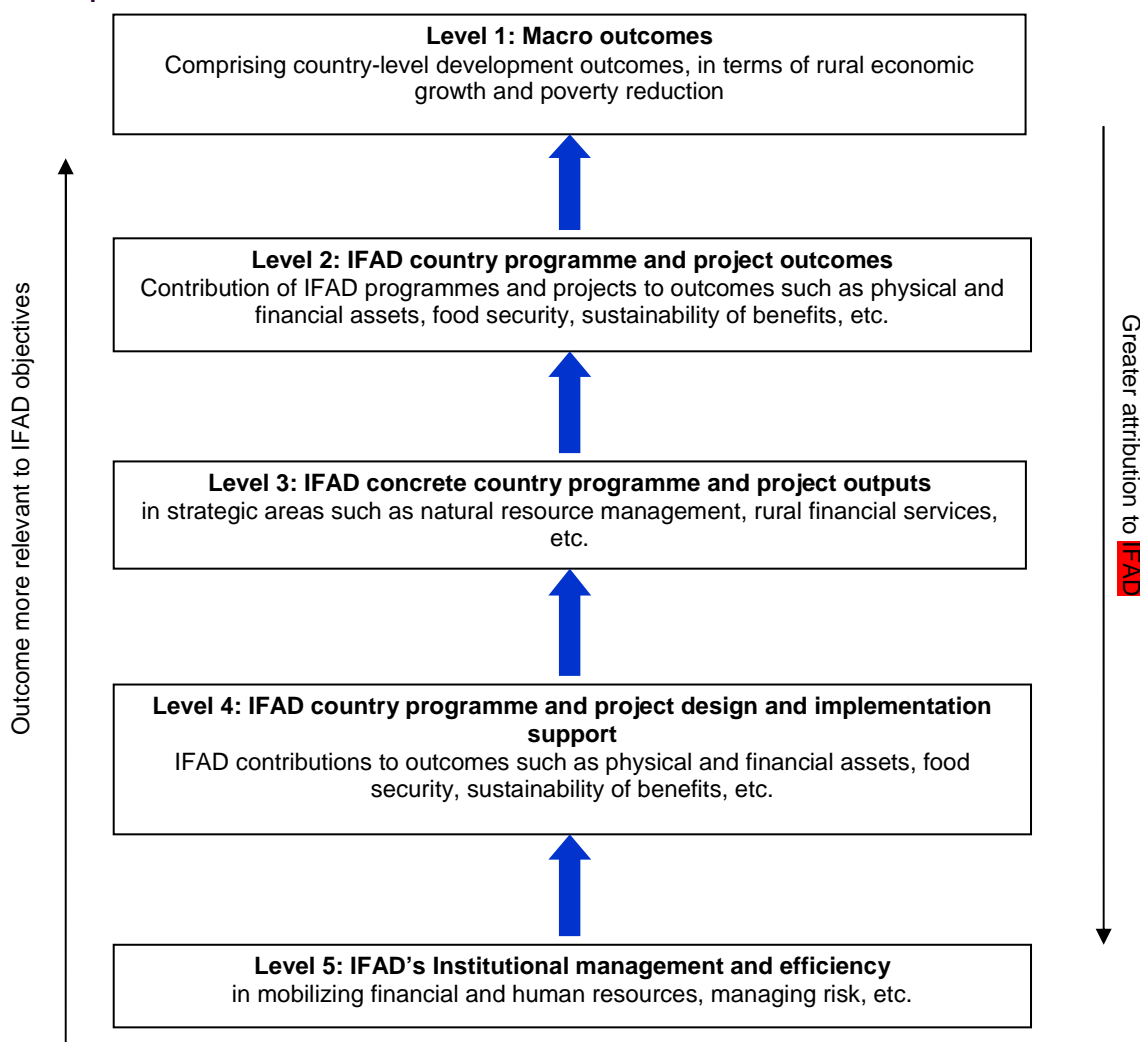
22. The MfDR approach is helping IFAD improve its development effectiveness and thus optimize its contribution to the reduction of rural poverty in developing countries. It is central to IFAD's ongoing change and reform efforts. Better measurement and reporting of the results achieved is a key element of this agenda. **The primary purpose of the revised RMF will be to enable IFAD to measure and improve its development effectiveness.** Its adoption will contribute to advancing the MfDR agenda throughout the organization.
23. In the past three years, IFAD has made considerable progress in establishing better systems to manage for, and measure, its results. It has placed particular emphasis on improving its operational and organizational effectiveness, and has developed and introduced new systems, tools and processes for planning, management and monitoring. Progress has also been made in developing data-collection systems and ensuring the quality of the data on which they depend.

C. Overview and the results hierarchy

24. The overall structure of the revised RMF has been conceived as an approximate hierarchy in which an immediate lower-level result underpins, explains and contributes to higher-level results. The highest level represents ultimate development outcomes at the country level to which IFAD's work contributes. In presenting results at each of the five levels, IFAD seeks to explore the linkages between results achieved at these various levels and show how they interact.
25. The proposed RMF covers five levels (figure 1), reflecting the different ways in which IFAD achieves, or contributes to the achievement of, development results. At **level 1**, the indicators are those most closely connected to the broad economic and poverty reduction results that IFAD wishes to achieve, but that are the most remote from attribution to IFAD's activities. **Level 2** also consists of country-level outcomes, of lesser macro content, but more directly attributable to IFAD's work. Key outputs that underpin the country-level outcomes generated by IFAD's operations are presented at **level 3**. Together, these three levels constitute IFAD's **development effectiveness**.
26. For an enhanced contribution to development effectiveness, IFAD needs to ensure that it is managing its operations in the desired manner. For this reason, at **level 4** the revised RMF will measure IFAD's **operational effectiveness**, focusing on the quality of country programme and project design and implementation support.

27. IFAD's operational effectiveness is in turn critically dependent on its **organizational effectiveness**, presented as **level 5** in the proposed framework. At this level the RMF will measure IFAD's institutional efficiency, focusing on key areas such as the overall cost of managing the institution.
28. IFAD has more immediate and direct control over the last two levels. Its influence diminishes progressively with upward movement in the hierarchy. Results achieved at the highest level – the macro outcomes – cannot be attributed to IFAD actions. Nevertheless, since the results to be measured are those to which IFAD aims to contribute, they provide an important picture of the rural development context within which IFAD works, and must shape its strategic and operational priorities. The measurement of IFAD's contributions to development outcomes offers a valuable assessment of the scale of the outcomes of programmes and projects supported by IFAD, both in absolute terms and relative to the development outcomes themselves. These are underpinned at the third level by the outputs produced by IFAD's country programmes and projects.
29. Efforts will be made to assess and present the number of people reached through IFAD's programmes and projects, which will be reported at the third level.

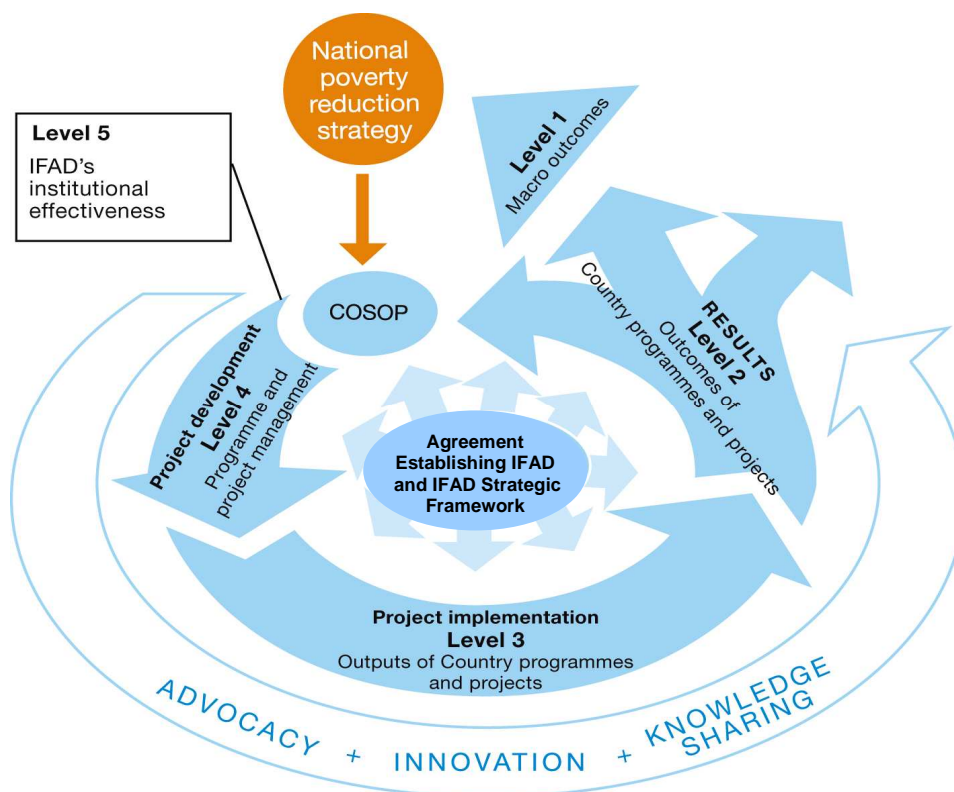
Figure 1
Proposed Results Measurement Framework: The results chain



D. Revised RMF in the context of IFAD's operating model

30. Under the existing RMF, IFAD presents an assessment of project performance at various stages of the project and COSOP cycle: at entry into its portfolio (at the time of Board presentation), during implementation and at completion. These distinctions are maintained in the revised RMF, with indicators measuring:
- (i) likely impact of new COSOPs and projects *entering the pipeline* (level 4);
 - (ii) quality of project *during implementation* – measured directly by assessing the ratio of problem projects to the total (level 4) and through outputs (level 3); and
 - (iii) the quality of country programmes and projects *at completion* (measured as an outcome, level 2).
31. In figure 2, the revised RMF has been superimposed so as to link various levels of results with the critical elements of IFAD's operating model.

Figure 2
IFAD's Results Measurement Framework in the context of its operating model



E. Indicators, baseline and target values

32. In choosing the indicators for each level of results, an effort has been made to ensure that these indicators, when combined, measure the changes expected at a particular level. This requires that baseline conditions are known and that a system to measure such changes is in place.
33. In terms of expected future results, while targets have been set against most indicators, some will simply be tracked. In assessing performance, tracked indicators will be compared with the baseline figures, but not with targets. These tracked indicators refer to some macro outcomes (table 1) and investment in agriculture (table 1(a)) – and also to project outputs for which the national agencies managing the projects have set targets. Similarly, on the geographical origin of IFAD staff members, while a higher ratio of list B and C is preferred, a numeric target, independent of other considerations, is not likely to produce optimum results. Thus no targets have been set for these indicators.
34. Targets for the 2010-2012 period have been set at a higher level than current targets. This has to be interpreted against a backdrop of significantly improved IFAD performance over the last three years. However, many development outcomes depend to a large extent on factors beyond IFAD's control or influence, which implies the risk of not achieving the target as intended.

Level 1: Macro outcomes

35. As an IFI working within the United Nations system, IFAD is committed to reducing the abject and dehumanizing conditions of poverty. In order to monitor the degree to which this overarching objective is being met, IFAD will track the progress made in achieving the Millennium Development Goals (MDGs):
 - MDG indicator 1.1 – Proportion of population below poverty line
 - MDG indicator 1.8 – Prevalence of underweight children under five years of age
 - MDG indicator 1.9 – Proportion of population below minimum level of dietary energy consumption
36. Progress on these broad indicators cannot be directly attributed to IFAD. Yet, if there is no progress on these macro indicators at country levels, it will be difficult to ensure that IFAD is broadly achieving its mandate. In measuring the proportion of the population below the poverty line, IFAD will use the recalibrated poverty line of US\$1.25 per capita per day based on purchasing power parities (PPPs).⁶ The reference baseline value (2005) showed an overall proportion of about 25 per cent of the global population living below the poverty line, with the highest proportion of poor people living in sub-Saharan Africa (50.9 per cent of total population) and South Asia (40.3 per cent). In terms of total number of poor people, the baseline value (2005) showed 1.374 billion people. Of these, 596 million (43 per cent of the total) were in South Asia and 456 million (33 per cent of the total) were in sub-Saharan Africa.⁷
37. For the world's developing regions, about 26 per cent of children under five years of age were estimated to be underweight in 2006 (baseline year). At 46 per cent and 28 per cent respectively, South Asia and sub-Saharan Africa had a higher proportion of underweight children. Similarly, about 17 per cent of the world's population consumed less than the minimum level of dietary energy from 2001 to 2003, the latest years for which information is available. Regionally, sub-Saharan

⁶ The new poverty line was generated by the International Comparison Program using an expanded set of household income and expenditure surveys. These surveys found the price levels in many developing countries higher than previously estimated. World Bank, *World Development Indicators 2008, Poverty Data* supplement (Washington, DC, 2008).

⁷ See also United Nations, *Millennium Development Goals Report 2008* (New York, 2008).

Africa shows a higher deficit in dietary energy terms (31 per cent), followed by South Asia (21 per cent).

38. Seventy-five percent of the world's extremely poor people live in rural areas, and rural poverty rates are substantially higher than urban rates. Thus poverty is still essentially a rural phenomenon. In East Asia, poverty rates have declined substantially in the past ten years. Poverty rates remain extremely high in South Asia and sub-Saharan Africa. The majority of poor people will remain rural for many years to come, even though urbanization is slowly increasing the proportion of poor people found in urban areas.
39. In most developing countries, agriculture has a large share in the gross national product and has strong linkages with other sectors. As a result, growth in agriculture is essential in most developing countries if higher overall economic growth is to be achieved. Even more importantly, agriculture is a source of livelihoods for an estimated 86 per cent of rural people (2.5 billion people) and provides jobs for 1.3 billion smallholders and landless workers. A more dynamic and inclusive agricultural sector would dramatically reduce rural poverty, helping countries meet the Millennium Development Goal of halving extreme poverty and hunger by 2015. Cross-country econometric estimates show that overall GDP growth originating in agriculture is, on average, at least twice as effective in benefiting the poorest half of a country's population as is growth generated in non-agricultural sectors.⁸ For these reasons, two measures – agricultural value added and the crop production index – have been included as indicators for measuring macro outcomes.
40. Indicators for level 1 macro outcomes, baseline figures and 2012 global targets are presented in table 1. Targets are MDGs. Where there is no MDG, no target is set, but outcomes are tracked.

Table 1
Macro outcomes

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2012 target</i>
1.1 MDG 1: Population living on less than \$1.25 a day (per cent) ^a	2005	26	21
1.2 MDG 1: Prevalence of undernourishment in population (per cent) ^a	2002-2004	17	10
1.3 MDG 1: Children under 5, per cent underweight ^a	2005	27	17
1.4 Crop production index (1999-2001 = 100) ^b	2006	112.4	Tracked
1.5 Agricultural value added (annual percentage growth) ^b	2004	4.1	Tracked

Sources:

^a United Nations, *Millennium Development Goals Report* (New York, 2008).

^b World Bank, *World Development Indicators 2009* (Washington, D.C., 2009).

Investment in agriculture influences rural poverty outcomes

41. As financing of agriculture is critical in achieving the goal of increasing agricultural productivity, two additional indicators have been included: level of official development assistance to agriculture and share of the budget allocated to agriculture.

⁸ International Bank for Reconstruction and Development (IBRD)/World Bank, *World Development Report 2007: Development and the next generation* (Washington, D.C., 2006).

Table 1 (cont.)
Investment in agriculture

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2012 target</i>
1.6 Level of official development assistance (ODA) to agriculture ^a	2007	US\$4.2 billion	Tracked
1.7 Share of budget allocated to agriculture and rural development ^b	2005	5 per cent	Tracked

^a Of the US\$3.4 billion ODA to agriculture in 2004, Africa's share was US\$1.2 billion. Agriculture's share of total ODA in 2004 was 3.5 per cent. IBRD/World Bank, *World Development Report 2008: Agriculture for development* (Washington, D.C., 2007), p. 41, and http://stats.oecd.org/wbos/Index.aspx?DatasetCode=ODA_SECTOR.

^b For Africa, the New Partnership for Africa's Development (NEPAD) has advocated a 10 per cent share for agriculture in national budgets, and a monitoring system has been put in place. For the rest of the world, IFAD will use statistics compiled by the International Monetary Fund (IMF).

Level 2: Country programme and project outcomes

42. Country programmes and projects constitute IFAD's principal instruments in achieving its mission to empower poor rural people to overcome poverty. Measuring project performance thus becomes crucial in assessing the contribution IFAD has made to reducing rural poverty. This level will essentially measure results in terms of opportunities for citizens in partner countries.⁹
43. In measuring project performance, IFAD will use three internationally accepted criteria: *relevance* – the extent to which project objectives are consistent with the priorities of poor rural people and other stakeholders; *effectiveness* – how well projects perform in delivering against their objectives; and *efficiency* – how economically resources are converted into results.
44. IFAD's RMF will also assess and report on the changes that have been perceived to have occurred in the lives of poor rural people. In assessing these outcomes,¹⁰ IFAD's main emphasis will be on assessing the impact of its projects and programmes on *food security* – measured in terms of availability, access to food and stability of access – and *agricultural productivity*, measured in terms of yield. As household income provides access to food and other economic benefits, it will be measured along with assets, which help in earning income and provide a coping mechanism during crisis – more assets enable poor people to smoothen consumption. Similarly, human and social capital development and empowerment are strategic objectives for IFAD. The quality of grass-roots institutions will be assessed mainly as a means of enabling poor rural people to reduce poverty. Empowerment is viewed by IFAD as an end in itself, as well as a means of reducing poverty.
45. At the level of outcomes, in line with the principles of engagement under its current Strategic Framework, IFAD will also measure results against: sustainability, replication and scaling up, and gender equality and women's empowerment. Once a project succeeds in reducing poverty, the net benefits that permitted poverty reduction need to be sustained beyond the implementation period. Similarly, successes need to be scaled up to add value to successful innovations. Project performance on gender mainstreaming will be assessed on whether it has integrated women's as well as men's concerns, so that women and men benefit equally and inequality is not perpetuated – another IFAD strategic objective.
46. IFAD's self- and independent evaluations have adopted a standard evaluation framework that aims to ensure a systematic analysis and comparable approach across project and country programme evaluations. Evaluation instruments use a six-point scale over all assessment criteria. Under this arrangement, a rating of 6 is equal to highly satisfactory; 5 to satisfactory; 4 to moderately satisfactory; 3 to moderately unsatisfactory; 2 to unsatisfactory and 1 to highly unsatisfactory. IFAD

⁹ High-level Forum on Aid Effectiveness, final report of Roundtable 4. Accra, Ghana, 2008.

¹⁰ OE identifies them as 'impact', involving anticipated effects as well.

makes individual project ratings cross-comparable and thus the results can be aggregated to represent the portfolio.

47. To capture these broad concepts and objectives, indicators for country programmes and project outcomes, as well as baseline figures and 2012 targets, are set out in table 2.

Table 2

Country programme and project outcomes

<i>Indicators</i>	<i>Source^a</i>	<i>Baseline year</i>	<i>Baseline value %</i>	<i>2012 target %</i>
Percentage of country programmes rated 4 or better for:				
2.1 Contribution to: (a) increasing incomes, (b) improving food security, and (c) empowering poor rural women and men	ARRI	2007	69	80
Percentage of projects rated 4 or better at completion for:				
2.2 Effectiveness	ARRI	2007	75	90
	PCR	2008-09	86	90
2.3 Rural poverty Impact on the target group (e.g. physical and financial assets, food security, empowerment)	ARRI	2007	86	90
	PCR	2008-09	84	90
2.4 Gender equality	PCR	2008-09	69	80
2.5 Innovation, learning and/or scaling up	ARRI	2007	80	80
	PCR	2008-09	69	75
2.6 Sustainability of benefits	ARRI	2007	59	75
	PCR	2008-09	76	75
2.7 Relevance	ARRI	2007	100	90
	PCR	2008-09	94	90
2.8 Efficiency	ARRI	2007	66	75
	PCR	2008-09	68	75

^a PCR = project completion report; ARRI = Annual Report on Results and Impact of IFAD Operations. PCR data for 2008-2009 are provisional. Final statistics will be presented to the Board in December 2009 in the RIDE report. ARRI data are from the 2007 ARRI report. The baseline for ARRI will be updated using 2008 ARRI figures, expected in December 2009.

48. The baseline value for the information generated from project completion reports (PCRs) pertains to review years 2008-2009. Comparable figures for ARRI will become available with the 2008 ARRI report and these will replace the 2007 figures shown in the table.

Level 3: Project outputs

49. The third level of hierarchy consists of indicators on outputs – the products, goods and services that result from IFAD-supported projects and that are relevant to the achievement of outcomes. Towards this end, some selected key outputs will be aggregated and reported against IFAD's six strategic objectives using the RIMS system. To the extent possible and applicable, data will be presented on a sex-disaggregated basis. In the ongoing portfolio, examples of output indicators include area brought under irrigation through construction and rehabilitation, number of active savers and borrowers, people trained in specific technologies such as crop husbandry or livestock, and small businesses.

50. Level 3 indicators, baseline figures and 2012 targets are presented in table 3.

Table 3
Country programme and project outputs

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2012 target</i>
3.1 People receiving services from IFAD-supported projects (no.)	2007	29.2 million	60 million
Male:female ratio (percentage)	2007	57:43	50:50
Natural resource management			
3.2 Common-property-resource (CPR) land under improved management practices (ha)	2008	3.86 million	
3.3 Area under constructed/rehabilitated irrigation schemes (ha)	2008	470 thousand	
Agricultural technologies			
3.4 People trained in crop production practices/technologies	2008	1.72 million	
Male:female ratio (percentage)		50:50	
3.5 People trained in livestock production practices/technologies	2008	1.03 million	
Male:female ratio (percentage)		35:65	
Rural financial services			
3.6 Active borrowers	2008	4.35 million	
Male:female ratio (percentage)		52:48	
3.7 Voluntary savers	2008	5.44 million	
Male:female ratio (percentage)		51:49	
Marketing			
3.8 Roads constructed/rehabilitated (km)	2008	15 thousand	
3.9 Marketing groups formed/strengthened	2008	25 thousand	
Microenterprise			
3.10 People trained in business and entrepreneurship	2008	162 thousand	
Male:female ratio (percentage)		53:47	
3.11 Enterprises accessing facilitated non-financial services	2008	19 thousand	
Policies and institutions			
3.12 People trained in community management topics	2008	338 thousand	
Male:female ratio (percentage)		38:62	
3.13 Village/community action plans prepared	2008	24 thousand	

Note: Provisional figures. Final figures will be presented in the 2009 RIDE report.

51. With respect to the harmonization of output indicators with those of other IFIs, it is important to note the specificity of IFAD's mandate in comparison, and thus the narrow set of sectoral indicators it uses. For example, AsDB measures outputs related to transport, energy, water, education and finance.

Level 4: Country programme and project management

52. In measuring the likely impact of *country programmes* at entry, IFAD will use a composite measure of income, food security and empowerment of rural women and men, using the arms-length quality assurance (QA) process and the results of the attitude survey of "clients" engaged with IFAD's ongoing country operations (comprising representatives of governments, donor agencies and civil society organizations). The attitude survey will also measure performance against adherence to the aid effectiveness agenda. In selecting respondents for the sample, an effort will be made to choose representative ones. In addition, anonymity of the respondents will be maintained to ensure objectivity.
53. In measuring the likely impact of *projects* at entry, IFAD will use the following indicators: effectiveness; rural poverty impact; innovation, learning and scaling up; and sustainability of benefits as described in paragraphs 45 and 46 above.
54. In assessing the performance of projects during implementation, the RMF will use indicators that measure efficiency in managing business processes, quality of implementation support, and activities that are likely to contribute to enhancing the overall effectiveness of projects. This category comprises a standard set of IFI measures for assessing portfolio performance. The indicators include: average time to loan disbursement, proactivity of IFAD Management in improving the

performance of problem projects, percentage of problem projects in the ongoing portfolio, time overruns during implementation, and processing time for withdrawal applications submitted by borrowing member governments. This section will also include IFAD's contribution as a partner (of the government, cooperating institution and NGOs and community-based organizations) during project and COSOP design and implementation.

55. Level 4 indicators, baseline figures and 2012 targets are presented in table 4.

Table 4

Country programme and project management

<i>Indicator</i>	<i>Source</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2012 target</i>	
Percentage of COSOPs/projects/clients satisfactory or better (unless shown differently)					
Better country programme management: Percentage of country programmes rated 4 or better at entry for:					
4.1	Contribution to increasing incomes, improving food security, and empowering poor rural women and men	QA at entry	2008	86	90
4.2	Adherence to aid effectiveness agenda ^a	Client survey	2008	79	100
Percentage of projects rated 4 or better at entry for:					
4.3	Effectiveness	QA at entry	2008-09	93	90
4.4	Rural poverty impact on the target group (e.g. through physical and financial assets, food security, empowerment)	QA at entry	2008-09	91	90
4.5	Sustainability of benefits	QA at entry	2008-09	81	90
4.6	Innovation, learning and/or scaling up	QA at entry	2008-09	86	90
Better implementation support:					
4.7	Percentage of ongoing projects actually receiving international cofinancing	PPMS ^b	April 2009	56	65
4.8	Average time (months) from project approval to first disbursement	PPMS	2007-2008	21	14
4.9	Percentage of problem projects in which major corrective actions are taken (proactivity index)	Div PPR ^b	2008	63	75
4.10	Percentage of projects for which IFAD performance rated 4 or better	ARRI	2006-2007	64	75
4.11	Percentage of problem projects in ongoing portfolio	PPMS	2006-2007	17	15*
4.12	Percentage of time overruns for ongoing projects	PPMS	2006-2007	23	20
4.13	Average days for processing withdrawal applications (directly supervised projects)	WATS	2008	n/a	-10% over 2009

^a As aggregated percentages of all countries surveyed. Aid effectiveness score includes subscores for country ownership, alignment and harmonization.

^b PPMS = Project and Portfolio Management System; Div PPR = Divisional Portfolio Performance Report. WATS = Withdrawal Applications Tracking System

Level 5: IFAD institutional management and efficiency

56. These indicators measure IFAD's organization-wide performance and aim to capture the performance of some critical business processes (e.g. management of investments, human resources and risk).
57. During 2010-2012, IFAD will accord a very high priority to human resource reform and this has been reflected in the proposed RMF. The principal priorities – achieving a flexible, diversified, engaged and motivated workforce (replenishment document REPL. VIII/5/R.2/Rev.1, paragraph 85) – are reflected in the indicators. These are

complemented by critical efficiency indicators that are surrogates for broader efficiency measures. They measure the proportion of the workforce devoted directly to designing and implementing programmes, the time devoted to filling professional vacancies, and the cost of processing payslips.

58. While IFAD seeks to improve its impact through policy advocacy, partnership and grass-roots institution-building, the *outcomes* of these activities are difficult to measure and attribute to IFAD. In this light, these indicators will be measured at the activity level and have been included as part of organizational effectiveness (indicator 5.1). IFAD will also develop other appropriate indicators for assessing performance (paragraph 74), rather than as a part of operational effectiveness. Failure to address high-priority internal audit recommendations has been identified as a measure of organizational risk and this will be measured as part of the corporate-level results framework. Finally, administrative efficiency – measured in terms of budgeted expenses against total value of loans and grants committed – has been included as an organization-wide efficiency indicator.
59. Level 5 indicators, baseline figures and 2012 targets are presented in table 5.

Table 5
Institutional management and efficiency

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2012 target</i>
Improved resource mobilization and management			
5.1 Percentage achieved of replenishment pledges	2008	93	100
Improved human resource management			
5.2 Staff engagement index: Percentage of staff positively engaged in IFAD objectives	2008	70	75
5.3 Percentage of workforce in programmes (operations)	2008	56	65
5.4 Percentage of workforce from Lists B and C Member States	2008	33	Tracked
5.5 Percentage of women in P5 posts and above	2008	30	35
5.6 Average time to fill professional vacancies (days)	2007	141	100
5.7 Cost per payslip (US\$)	2008	US\$90	Tracked
Improved risk management			
5.8 Percentage of actions overdue on high-priority internal audit recommendations	2008	76	20
Improved administrative efficiency			
5.9 Percentage of budgeted expenses per US\$1 of loan and grant commitments	2008	16.3	13.5

Source: IFAD internal reporting.

V. Institutional arrangements, data source, use, presentation and administration

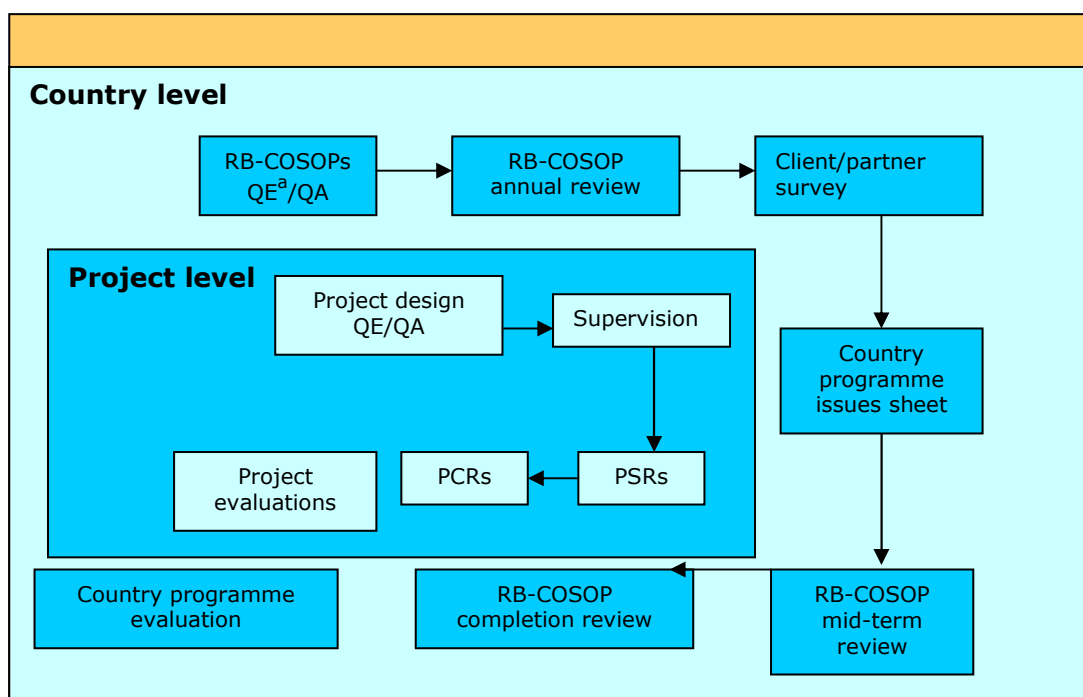
Institutional arrangements and data source

60. In recent years IFAD has significantly upgraded its internal processes for performance assessment at various stages of project and country programme development. Similar systems are now in place for monitoring IFAD's organizational performance. As a result, most information for RMF reporting is available through existing IFAD data-collection instruments (RIMS, PCR, PSR, client survey, financial figures, staff attitude survey, quality-at-entry data from QA reviews, and ARRI results). Thus the incremental investment will be for some improvement in data quality, but not for running an additional administrative structure to collect data.
61. During the Eighth Replenishment period, increased efforts will be made to disseminate information and thereby contribute to learning and aid decision-making. Managers will use the information to help guide the organizational or management changes needed to close gaps between the targets set and actual

achievements under the RMF. A sound system will be needed for identifying the causal factors that explain performance. Both self- and independent evaluations need to pay increased attention to this need to manage for development results.

62. With respect to the data to be obtained from external sources, in particular for level 1 results – macro outcomes – IFAD will use standard sources such as the United Nations' *Millennium Development Goals Report*, the World Bank's *World Development Report*, the United Nations' *Human Development Report* and statistics gathered by IMF and the Food and Agriculture Organization of the United Nations (FAO).
63. Level 2 results are those achieved by country programmes and projects at completion. IFAD measures results for the entire universe of projects and programmes completed. Because of the relatively small number of projects completed per year (25-30), there is an element of random variability. Taking this into consideration, results for completed projects will be presented on a two-year moving average basis. Given the small number of country programmes completed each year, particularly in the early years of the Eighth Replenishment period, results on country programmes will be presented mostly in narrative form.
64. In general, the instruments currently being used by IFAD should be adequate to provide the information needed to assess performance at this level. Schematically, country- and project-level results measurement will be undertaken in the sequences presented in figure 3.

Figure 3
Results measurement at country and project levels



^a QE = quality enhancement.

65. Level 3 results will be assessed using RIMS data. The information set will be derived from all projects in the *ongoing portfolio*, supplemented by some extrapolation when required, so that the results presented will represent this entire portfolio.
66. Most figures for level 4 results will be derived from quality-at-entry assessments, the PPMS system, PSR reports (figure 3) and the newly developed Withdrawal Application Tracking System (WATS). Level 5 results will be obtained from financial statements, staff surveys and the audit-response tracking system.

67. To improve the quality of the information gathered and make use of the data in improving project and country programme performance, IFAD will work towards enhancing country ownership of the development process and will assist in building monitoring capacity in national governments and in other institutions. Given its limited resources, IFAD will endeavour to work with other donor partners and will seek resources for building such national capacity, for example through a multi-donor trust fund.

Data use and reporting

68. Once approved by the Executive Board, this revised RMF would be the principal instrument of management accountability to the Board. Thus its scope has been expanded substantially over the current RMF. It is also aligned with the reporting instruments of most other IFIs.
69. With the 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).
70. The proposed RMF will allow IFAD to deepen its implementation of the results-based management system and thus move progressively away from a rules-based, budget-driven one. 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. As the results culture deepens, more authority will be delegated and rules constraining the achievement of results will be revised. IFAD Management will periodically review the progress made in deepening the culture of managing for development results. Depending on this progress, IFAD may seek the approval of the Executive Board to increase the authority delegated to IFAD Management, focusing Board discussions more on strategy and results, and less on reviewing individual projects or reports.
71. The RIDE report will be the main reporting vehicle for the corporate-level RMF. It will present corporate-level results on an annual basis for review by the Executive Board. OE's ARRI report will enable the Executive Board to assess achievement against most of the key areas of "results at outcome" (level 2), using independent evaluation. IFAD will also explore the possibility of developing a website to provide this information in a form accessible to a wider public, thus enhancing accountability.
72. Senior Management will maintain the annual portfolio review exercise to assess performance at levels 2, 3 and 4 using a larger set of indicators. This review takes place at both the divisional and departmental levels of the Programme Management Department and draws significantly on the joint review undertaken by IFAD and governments at the country and regional/subregional levels. Quarterly "performance conversations", involving the results areas in levels 4 and 5, will continue to provide an opportunity for more frequent review of results by Management and will enable timely corrective action, when required.

VI. Issues related to data and measurement – future developments

73. While IFAD Management has made an effort to refine the RMF and its information systems, the proposed RMF is subject to some limitations common to all IFIs. The inability to "attribute" results of macro outcomes to IFAD is one such generic issue. The results presented for the first two levels need to be interpreted as areas to which IFAD has made its "contribution", but which are not fully attributable to the

organization. From level 3 downwards, attributability progressively increases and the results can be interpreted accordingly.

74. IFAD faces difficulties in measuring outputs in policy dialogue and in establishing the linkages among diverse levels of results. In this light, it is already working with other IFIs to share experiences and learn from them, and it will strengthen this collaboration and mutual learning during the Eighth Replenishment period. Similarly, while the impact of IFAD's non-lending instruments such as policy dialogue and knowledge-sharing is increasing, they continue to remain relatively underresourced. IFAD's country programme indicators will primarily reflect achievements made against project-related indicators. With direct supervision, country presence, more strategic use of grants, and more diversified lending instruments and knowledge products, IFAD plans to have a larger impact at the country programme level.
75. There are limitations related to data quality. For macro outcomes, the figures available are slow to change and do not always have the same cut-off date for all countries, because survey years vary significantly across countries. At the outcome level, PCR reports have ratings provided by independent consultants. But these reports sometimes lack objectivity. Results produced by OE, while more objective, suffer from small sample size and thus are prone to significant random variability. In order to address this issue, IFAD will use available research studies that measure the impact of typical interventions such as rural infrastructure, extension and research, irrigation and land development. This information, blended with metrics from IFAD projects (level 3 indicators) will provide more reliable evidence in support of decision-making on the allocation of resources to various themes and performance areas essential to IFAD's work.
76. IFAD's information system and its results framework were developed independently. The IFAD project reporting framework, RIMS, was developed and approved in 2003 – much earlier than the current strategic and results frameworks. While efforts have been made to adapt the RIMS system to evolving institutional priorities, project output reports do not fully cater to IFAD's new priorities. As the system is used in many of IFAD's 240 current projects, any radical revision will be costly to implement and will take time to institutionalize. Keeping this in mind, the RIMS system will be reviewed in the light of IFAD's new strategic framework. During the Eighth Replenishment period, IFAD will develop metrics to measure progress on outreach beyond its country programmes and projects. Similarly, it will explore the possibility of developing and pilot testing an empowerment index, as a new instrument designed to measure the level of empowerment experienced by residents of rural communities.¹¹
77. The quality of monitoring is affected significantly by the plans and expected outcomes that precede it. Thus particular attention will be devoted to improving the results frameworks of country programmes and projects. Essentially, design ambition needs to be brought down to realistic levels and linked to the level of resources provided by IFAD. Above all, there is a clear need to institutionalize IFAD's results management culture further by progressively moving from a rules-based, budget-driven system to a results-based one.

¹¹ Operationally, empowerment is about people taking control of their lives. It is about people pursuing their own goals, living according to their own values, developing self-reliance, and being able to make choices and influence – both individually and collectively – the decisions that affect their lives.

Comparative Results Measurement Frameworks: IFAD, IDA, AsDF and AfDF

Level 1: Macro and Sector Outcomes

Indicator	Measurement point	IFAD	IDA-15	AsDF -X	AfDF-11
<i>Extreme poverty and hunger</i>					
MDG 1: Population living on less than a \$1.00 a day (percentage)		✓	✓	✓	✓
MDG 1: Prevalence of under-nourishment in population (percentage)		✓	-	-	-
MDG 1: Children under 5 who are underweight (percentage)		✓	✓	-	-
Number of rural poor		✓	-	-	-
<i>Macro and sector performance, low and middle-income countries</i>					
GNI per capita (Atlas method, current US\$)		✓	✓	✓	GDP per capita
GDP per capita growth (annual percentage)		✓			
Level of CDA					
Agricultural value added (annual percentage growth)		✓	-	-	-
Crop production index (1999-2001 = 100)		✓	-	-	Staple crops yield
Share of budget allocation for costs					
<i>Other Outcomes, examples only</i>					
Public fin mgmt - No of HIPC benchmark met		-	✓	Country performance	✓
Extractive industry transparency		-	-	-	✓
Cost required for business start-up % of GNI per capita		-	✓	✓	✓
Days required for business start-up		-	✓	✓	✓
% of population with access to improved water source		-	✓	rural/urban	✓
% of population with access to improved sanitation		-		rural/urban	
Fixed line & mobile phones - - per 1000 population		-	✓	✓	✓
Access to all season road - % of rural population		-	✓	✓	✓
% of household with electrification		-	✓	✓	✓
% of relevant group completing primary education		-	✓	✓	-
Ratio of girls to boys in primary & secondary education		-	✓	tertiary as well	✓
Under-five child mortality rate		-	-	✓	✓

Level 2: Country programme and project outcomes

Indicator	Measurement point	IFAD	IDA-15	AsDF -X	AfDF-11
Number of people who have moved above the poverty line		RIMS proxies, nutrition & assets	-	-	-
Country programme-related indicators					
Percentage of country programmes rated 4 or better for contribution to (a) increasing the incomes, (b) improving the food security, and c) empowering poor rural women and men.	At completion (ARRI)	-	-	Overall evaluation rating of CPS at completion	-
Project-related indicators					
Percentage of projects rated 4 or better for effectiveness	At completion (ARRI)	✓			
Percentage of projects rated 4 or better for impact on measurements of poverty among the target group, such as physical rural poverty impact and financial assets, food security, empowerment	At completion (ARRI)	✓			
Gender equality	At completion (PCR)	✓	Only one overall rating for satisfactory outcome at completion	One overall combined rating for satisfactory outcome at completion and evaluation	No measurement proposed at completion or evaluation
Percentage of projects rated 4 or better for innovation, learning and/or scaling up	At completion (ARRI)	✓			
Sustainability of benefits	At completion (ARRI)	✓			
Relevance	At completion (ARRI)	✓			
Efficiency	At completion (ARRI)				

Level 3: Country Programme and Project Outputs

Indicator	Measurement point	IFAD	IDA-15	AsDF -X	AfDF-11
People receiving services from IFAD-supported projects M/F ratio	During implementation	✓			
Natural resource management					
Area under constructed/rehabilitated irrigation schemes (ha)	During implementation	✓	IDA reported on few outputs indicators such as teachers trained. It has committed to develop standard output indicators for 4-5 sectors by the mid-term review of IDA 15.	AsDB has proposed an elaborate system for sectoral outputs for transport, energy, water, education, and finance.	AfDB did not propose any sectoral outputs
CPR land under improved management practices (ha)	During implementation	✓			
Agricultural technologies					
People trained in crop production practices/technologies M/F ratio	During implementation	✓			
People trained in livestock production practices/ technologies M/F ratio	During implementation	✓			
Rural financial services					
Active borrowers	During implem.	✓			
Voluntary savers M/F ratio	During implementation	✓			
Marketing					
Roads constructed/rehabilitated (km)	During implementation	✓	✓		
Marketing groups formed/strengthened	During implementation	✓	✓		
Micro-enterprise					
People trained in business and entrepreneurship M/F ratio	During implementation	✓	✓		
Enterprises accessing facilitated non-financial services	During implementation	✓	✓		
Policy					
People trained in community management topics M/F ratio	During implementation	✓	✓		
Village/community action plans prepared	During implementation	✓	✓		
Key Sector Outputs, illustrations for AsDB					
<i>Transport</i>					
Express way built or upgraded - km				✓	
Rural roads built - km				✓	
Railways constructed or upgraded				✓	
No of beneficiaries from road projects				✓	

Level 4: Country Programme and Project Management

Indicator	Measurement point	IFAD	IDA-15	AsDF -X	AfDF-11
Better country programme management					
Percentage of country programmes rated 4 or better for contribution to increasing the incomes, improving the food security, and empowering poor rural women and men.	At entry (QA COSOP)	Client survey/OECD DAC survey	IDA has not proposed any country level outcomes	Overall evaluation rating of CPS at entry	Quality at entry of CSPs
Percentage of country programmes rated 4 or better for adherence to aid effectiveness agenda	At entry (QA COSOP)			Partnership survey results - aid effectiveness on reducing poverty	-
Better project design					
Percentage of projects rated 4 or better for effectiveness in one or more thematic areas of engagement	At entry	✓			
Percentage of projects rated 4 or better for impact on measurements of poverty among the target group, such as (a) physical and financial assets, (b) food security, (c) empowerment, and (d) gender equality	At entry	✓			
Percentage of projects rated 4 or better for innovation, learning and/or scaling up	At entry	✓	Only one overall rating for satisfactory quality at entry	Only one overall rating for satisfactory quality at entry	Nothing proposed
Percentage of projects rated 4 or better for sustainability of benefits	At entry	✓			
Percentage of projects rated 4 or better for relevance	At entry	✓			
Percentage of projects rated 4 or better for efficiency	At entry	✓			
Better implementation support					
Average time from project approval to effectiveness (months)	Annual	✓	-	✓	effectiveness to 1st disbursement
IFAD performance rated 4 or better.	At completion	✓	-		
Percentage of problem projects in the ongoing portfolio	Annual	✓	-		✓
Percentage of time overrun	Annual	✓	-		-
Average days for processing withdrawal applications	Annual	✓	-		-
% of projects formally supervised twice/year		-	-	-	✓
% of operations with satisfactory supervision rating		-	-	-	✓
Average time taken from project conception to approval		-	-	✓	-
Annual level of disbursements (\$ billion)		-	-	✓	-
Overall disbursement ratio for public sector loans		-	-	✓	✓
Average time elapsed for procurement		-	-	-	✓
Share of project eligible for cancellation (lower the better)		-	-	-	✓
% projects with NGO and/or CSOs		-	-	✓	-
New programme-based approaches approved		-	-	✓	-
Proportion of missions conducted jointly with dev partners		-	-	✓	✓
% of loans/ grants administered by field offices		-	-	✓	✓
% of aid in common arrangements		-	-	-	✓

Level 5: Institutional Management and Efficiency (Organizational effectiveness)

Indicator	Measurement point	IFAD	IDA-15	AsDF -X	AfDF-11
Improved resource mobilization and management					
Rate of return on investment (percentage)	Annual	✓	-	-	-
Improved human resource management					
Staff engagement index	Annual	✓	-	✓	-
Proportion of workforce in programmes	Annual	✓	-	✓	-
Proportion of workforce from Lists B and C Member States	Annual	✓	-		-
Proportion of women in P5 posts and above	Annual	✓			
Average time to fill professional vacancies (days)	Annual	✓	-	-	-
Cost per payslip (US\$)	Annual	✓	-	-	-
Improved risk management					
Percentage of high-priority internal audit recommendations that are overdue	Annual	✓	-	-	-
Improved administrative efficiency					
Budgeted expenses per US\$1 of loan and grant commitments	Annual	✓	-	-	-
% of budgeted professional staff and national officers in countries		✓	-	compared to total project approved \$, loans approved, and loan disbursed ✓	professional staff only
US\$ of admin expenses per project under implementation		✓	-	higher the better	-
% of portfolio managed by Field offices		✓	-	-	✓
Partnerships, strengthened international advocacy-related indicators					
Ratio of national and international cofinancing mobilized to IFAD financing for projects and programmes					
(a) IFAD to national + international	Annual	✓	-	-	-
(b) IFAD to international	Annual	✓	-	direct value-adding co-financing	-

Definition of Indicators

Level 1: Macro and sectoral Outcomes

Indicator	Definition	Definition Source
1.1. MDG 1: Population living on less than US\$1.25 a day (percentage)	The percentage of the population living on less than \$1.25 a day based on new poverty line computed using new price surveys conducted within the International Comparison Programme.	Indicators for Monitoring the Millennium Development Goals Definitions, Rationale, Concepts, and Sources United Nations Development Group Handbook
1.2. MDG 1: Prevalence of under-nourishment in population (percentage)	The percentage of the population whose food intake falls below the minimum level of dietary energy requirements	
1.3. MDG 1: Children under 5 who are underweight (percentage)	Percentage of children under five years old whose weight for age is less than minus two standard deviations from the median for the international reference population ages 0–59 months.	
1.4. Crop production index (1999-2001 = 100)	Crop production index shows agricultural production for each year relative to the base period 1999-2001. It includes all crops except fodder crops. Regional and income group aggregates for the FAO's production indexes are calculated from the underlying values in international dollars, normalized to the base period 1999-2001.	
1.5. Agricultural value added (annual percentage growth)	Annual growth rate for agricultural value added based on constant local currency. Aggregates are based on constant 2000 U.S. dollars. Agriculture corresponds to ISIC divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources.	
1.6. Level of Official Development Assistance (ODA) to agriculture	Percentage of ODA directed at agricultural sector as reported by DAC. Net official development assistance (ODA) consists of disbursements of loans made on concessional terms (net of repayments of principal) and grants by official agencies of the members of the Development Assistance Committee (DAC), by multilateral institutions, and by non-DAC countries to promote economic development and welfare in countries and territories in the DAC list of ODA recipients. It includes loans with a grant element of at least 25 percent (calculated at a rate of discount of 10 percent).	Development Assistance Committee of the Organisation for Economic Co-operation and Development, International Development Statistics database, as reported in World Development Indicators
1.7. Share of budget allocated to agriculture by low and middle income countries.	Budgets for agriculture (AgBudget) divided by total national budgets (NatBudget), sum for reporting low and middle income countries. $\frac{(AgBudget \times RptCountries)}{(NatBudget \times RptCountries)}$	IMF

Level 2: Country programme and project outcomes

Indicator	Definition	Definition Source
<p><i>Country programme-related indicators of project outcomes and country strategies at completion</i></p> <p>2.1. Percentage of country programmes rated 4 or better for contribution to (a) increasing the incomes, (b) improving the food security, and c) empowering poor rural women and men.</p>	<p>Ratings are provided by the Office of Evaluation, on a point scale; with 6 the highest, 1 the lowest. A rating of 4 or better corresponds to marginally satisfactory or better. A rating of 4 or better suggest positive outcome</p> <p>Legal secure entitlement to physical and financial assets – land, water, livestock, tools, equipment, infrastructure, technology, information, and savings and credit. An asset, also called 'capital stock' or 'endowment', is anything that can be used, without being used up, to increase returns from labour, whether hired or self-employed, and thus helps to enhance production, income and consumption.</p> <p>A food-secure household (or community) is one that has enough food available at all times, whether produced or purchased, to ensure a minimum necessary intake by all members. Key elements of food security are availability (production and trade), access to food (income, markets and prices) and stability of access (storage and other marketing arrangement at household and local level). Building the poor's collective capacity (their social capital) is essential for poverty reduction. Strengthening local self-help organizations and institutions and promoting gender equality will increase the poor's capacity to exploit potential economic opportunities and to develop stronger links with markets and external partners. A strong social capital base will empower the poor and enable them to interact more equitably and knowledgeably with those wielding social power and negotiate more effectively to improve their livelihoods. In the absence of strong social capital, investment in human and physical assets will fail to deliver sustainable benefits.</p>	<p>Evaluation Manual: Methodology and Processes Presented at Informal EB Seminar November 2008</p>
<p><i>Project-related indicator at completion</i></p> <p>2.2. Percentage of projects rated 4 or better for effectiveness</p> <p>2.3. Percentage of projects rated 4 or better for rural poverty impact (such as on (a) physical and financial assets, (b) food security, (c) empowerment)</p> <p>2.4. Percentage of projects rated 4 or better for impact on measurements on gender equality</p>	<p>The extent to which the project's development objectives were achieved, or are expected to be achieved, taking into account their relative importance. The measurement is made by the Office of Evaluation shortly after project completion.</p> <p>Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity. Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields The measurement is made by the Office of Evaluation shortly after project completion.</p> <p>Measurement as to whether women's as well as men's concerns have been integrated so that women and men benefit equally and inequality is not perpetuated.</p>	

Indicator	Definition	Definition Source
2.5. Percentage of projects rated 4 or better for innovation, learning and/or scaling up	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.	
2.6. Percentage of projects rated 4 or better for sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	
2.7. Percentage of projects rated 4 or better for relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs institutional priorities and partner and donor policies. It also entails an assessment of project coherence in achieving its objectives.	
2.8. Percentage of projects rated 4 or better for efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	

Level 3: Country programme and project outputs

Indicator	Definition	Definition Source
3.1. People receiving services from IFAD-supported projects (million)	This is the number of people that have been directly benefited from project services during the period. This number includes: the people trained, those in groups formed/strengthened, borrowers and savers, those operating stalls in newly formed markets, etc. This indicator is sex disaggregated.	RIMS 1st and 2nd level handbook (2007)
<i>Natural resource management</i>		
3.2. Area under constructed/rehabilitated irrigation schemes (ha)	This is the area of land (measured in hectares) under irrigation systems that has been fully rehabilitated or constructed by the project during the period under review. Irrigation is the process by which water is diverted from a water source or pumped from a well and used for purpose of agricultural production.	
3.3. Land under improved management practices (ha)	This is the area of land (measured in hectares) under improved management practices promoted by the project. This indicator includes any type of initiatives aimed at promoting a sustainable management of natural resources, e.g., promoting environmental friendly technologies, sustainable watershed management, preservation of biodiversity and agro-ecological equilibrium, re-vegetation plans, construction of terraces, construction of drainage channels, erosion control, application of grazing restrictions, planting of new forests and so on.	
<i>Agricultural technologies</i>		
3.4. People trained in crop production practices/technologies	This is the number of people trained in crop production and technologies. Training topics relevant for this indicator include: farming practices, application of seeds, fertilisers, and any other topics aimed at improving productivity, enhancing the quality of the produce and contributing to upgraded farming practice. This indicator is sex disaggregated	
3.5. People trained in livestock production practices/technologies	This is the number of people trained in livestock production and technologies. Training topics relevant for this indicator include: milking, slaughtering, animal nutrition, disease prevention and veterinary practices, and any other topics aimed at improving animal productivity, enhancing the quality of the final produce and contributing to upgrade farming practices. This indicator is sex disaggregated	
<i>Rural financial services</i>		
3.6. Active borrowers	This is the total number of male and female borrowers with an outstanding balance in an IFAD-supported financial institution at a specific date in the reporting year (e.g., 31 December). An outstanding balance means that the loan has not yet been fully repaid, therefore, the borrower is considered 'active'. The indicator does not differentiate in terms of loan size, purpose, etc. This indicator is sex disaggregated	
3.7. Voluntary savers	This is the total number of males/females who voluntarily have funds on deposit with an IFAD-supported financial institution on a specific date (e.g., 31 December). This indicator is sex disaggregated. Savers are considered "voluntary" when they choose to deposit funds; "forced" savers must open savings accounts as collateral to access loans, etc.	

Indicator	Definition	Definition Source
<p><i>Marketing</i></p> <p>3.8. Roads constructed/ rehabilitated (km)</p> <p>3.9. Marketing groups formed/strengthened</p>	<p>This is the total kilometres (km) of roads that have been fully constructed or rehabilitated by the project during the period under review. All typologies of roads should be included, e.g., village access roads, paved roads, primary, secondary, tertiary etc.</p> <p>The number of producers groups (formally registered or not) formed or strengthened by the project during the period under review.</p>	
<p><i>Micro-enterprise</i></p> <p>3.10. People trained in business and entrepreneurship</p> <p>3.11. Enterprises accessing facilitated non-financial services</p>	<p>This is the number of people trained in business and entrepreneurship skills during the period under review. The training topics include: accounting and bookkeeping, cash flow management, marketing, etc. Training initiatives differ from the advisory or any other non-financial support extended by service providers to enterprises. This indicator is sex disaggregated.</p> <p>This is the number of enterprises that have accessed non-financial services promoted by the project during the period under review. Enterprises are structured businesses, having a well defined physical location, normally with legal status, bank account, employees, etc. 'Non-financial' services include: business planning, technical advisory, supply chain management, market investigation, facilitation of linkages with traders, banks, product and process quality control, etc.</p>	
<p><i>Policy</i></p> <p>3.12. People trained in community management topics</p>	<p>This is the number of people that during the period under review have been trained in topics related to community-level decision making and management processes. The topics relevant for this indicator include: participatory methods, group facilitation, participatory planning and management, monitoring and evaluation, financial management and accounting, etc. This indicator is sex disaggregated</p>	
<p>3.13. Village/community action plans prepared</p>	<p>This is the number of village/community plans that have been completed under the guidance and support of the project during the period under review. A village/community plan is a framework of initiatives dealing with various aspect of village/community life aimed at improving social, cultural and economic development.</p>	

Level 4: Country Programme and Project Management

Indicator	Definition	Definition Source
<p><i>Better country programme management in IFAD</i></p> <p>4.1. Percentage of country programmes rated 4 or better for contribution to (a) increasing the incomes, (b) improving the food security, and c) empowering poor rural women and men.</p> <p>4.2. Percentage of country programmes rated 4 or better for adherence to aid effectiveness agenda</p>	<p>These ratings are made during the COSOP review, prior to the Executive Board.</p> <p>See Level 2: Country programme and project outcomes.</p> <p>This is monitored using by the IFAD Client Survey. IFAD adherence to adherence to the aide effectiveness agenda, refers to the predictability of IFAD assistance, use of country systems, conditionality, etc.</p>	
<p><i>Better project design</i></p> <p>4.3. Percentage of projects rated 4 or better for effectiveness</p> <p>4.4. Percentage of projects rated 4 or better for rural poverty impact (such as on physical and financial assets, food security, empowerment etc.)</p> <p>4.5. Percentage of projects rated 4 or better for sustainability of benefits</p> <p>4.6. Percentage of projects rated 4 or better for innovation, learning and/or scaling up</p>	<p>These ratings are made by the Quality Assurance function, prior to submission to the Executive Board.</p> <p>See Level 2: Country programme and project outcomes.</p> <p>See Level 2: Country programme and project outcomes.</p> <p>See Level 2: Country programme and project outcomes</p> <p>See Level 2: Country programme and project outcomes.</p>	
<p><i>Better implementation support</i></p> <p>4.7. Percentage of projects in the current portfolio receiving international cofinancing</p>	<p>For the reporting period, the number of IFAD projects in the current portfolio that are internationally co-financed (IFAD#Cofin) divided by the total number of projects in the current portfolio (IFAD#Port), i.e.,</p> $\frac{(IFAD\#Cofin)}{(IFAD\#Port)}$	

Indicator	Definition	Definition Source
4.8. Average time from project approval to first disbursement (months)	<p>This is calculated by subtracting the first disbursement date from the date of approval by the Executive Board (FirstDisbDate-ApprovDate), multiplied by 12 (months) and divided by 365, i.e.,</p> $\frac{(FirstDisbDate - ApprovDate) * 12}{365}$	
4.9. Percentage of problem projects for which major corrective actions have been taken (Pro-activity index)	<p>Share of projects rated as 'actual problem' in the previous year that have been upgraded, restructured, closed, cancelled or suspended during the current review period., measured by CPMs, verified by AP/PMD Front Office.</p>	
4.10. IFAD performance rated 4 or better.	<p>The performance of IFAD is assessed in terms of project design, supervision and implementation support as well as in policy dialogue, partnership building and development of an exit strategy.</p>	
4.11. Percentage of problem projects in the ongoing portfolio	<p>Number of problem projects (PBAS methodology) in the ongoing portfolio divided by the total number of projects in the ongoing portfolio. [N.B. figures do not include projects effective for less than six months.]</p> $\frac{ProblemProjects}{OngoingPortfolio}$	
4.12. Percentage of time overrun	<p>Elapsed time from date of effectiveness to original loan Completion date, divided by elapsed time from date of effectiveness to actual loan closing date, three year rolling average of loans closed. [N.B. Original date reflects the restated implementation period as per the President's Bulletin on Operational Procedures for Closing Loans (PB/99/01), 14 January 1999]</p> $\frac{(OriginalClosing - EffectivenessDate)}{(ActualClosing - EffectivenessDate)}$	
4.13. Average days for processing withdrawal applications	<p>Elapsed days from receipt of all withdrawal application in IFAD to value date of payment, divided by total number of withdrawal applications received annual.</p> $\frac{ElapsedDays_WA_Receipt_Payment}{Number_of_WA}$	

Level 5: Institutional Management and Efficiency

Indicator	Definition	Definition Source
<i>Improved resource mobilization and management</i>		
5.1. % achieved of replenishment pledges	This is the replenishment amount actually achieved divided by the amount pledged.	
<i>Improved human resource management</i>		
5.2. Staff engagement index	Favourable responses from staff survey on selected questions: freedom of action from the supervisor (question 41); free to provide opinions to the director (question 46), can act on their own initiative (question 38); understand the expected results (question 39) and accept responsibility for problems arising (question 42) while being held accountable by the supervisor for the delivery (question 40). $\frac{\text{Favourable Responses}(Q41 + Q46 + Q38 + Q39 + Q42 + Q40)}{\text{Total Responses}(Q41 + Q46 + Q38 + Q39 + Q42 + Q40)}$	Annual staff survey
5.3. Proportion of workforce in programmes	The percentage of workforce (staff at headquarters and country offices as well as full-time equivalents of temporary staff, consultants) that are contracted through the Programme Management Department, i.e., $\frac{\text{WorkforcePMD}}{\text{WorkforceFAD}}$	FH records; PeoplesSoft
5.4. Proportion of workforce from Lists B and C Member States	The percentage of workforce (staff at headquarters and country offices as well as full-time equivalents of temporary staff, consultants) that are from List B or C Member states, i.e., $\frac{\text{WorkforceListB} + \text{WorkforceListC}}{\text{WorkforceFAD}}$	FH records; PeoplesSoft
5.5. Proportion of women in P5 posts and above	The percentage of P5 and above posts that are held by women, i.e., $\frac{\text{WomenP5andabove}}{\text{P5andaboveposts}}$	FH records; PeoplesSoft
5.6. Average time to fill professional vacancies (days)	Elapsed days from date of request for vacancy received in FH to date that selection is made (Appointments and Promotions Board) divided by the number of requests made: i.e., $\frac{\text{ElapsedDaysRequestToSelection}}{\text{\# of RequestsMade}}$	FH records
5.7. Cost per payslip (US\$)	The cost per payslip, a standard indicator of administrative efficiency within and between the human resources and finance functions, is measured by dividing the cost of running the payroll by the number of people being paid, i.e., $\frac{\text{PayrollCost}}{\text{PeoplePaid}}$	PeoplesSoft, FC estimates

Indicator	Definition	Definition Source
<p><i>Improved risk management</i></p> <p>5.8. Percentage of high-priority internal audit recommendations that are overdue</p>	<p>Number of overdue high priority internal audit recommendations, divided by the total number of high priority recommendations that have not yet been implemented (whether already beyond the agreed implementation date or not):</p> $\frac{\text{OverdueHighPriority}}{\text{TotalHighPriority}}$	
<p><i>Improved administrative efficiency</i></p> <p>5.9. Budgeted expenses per US\$1 of loan and grant commitments</p>	<p>This is calculated from the of the administrative budget (including PDFF, in US\$ equivalent) divided by the Programme of Work (loans and grants, in US\$ equivalent), i.e.,</p> $\frac{\text{AdmnBudget}}{\text{POW}}$	

