An overview of managing for development results at IFAD

Enabling poor rural people to overcome poverty
The purpose of this overview is to promote a better understanding of what managing for development results (MfDR) is, and of the tools that IFAD uses to implement it. More specifically it:

• introduces MfDR concepts and terms
• explains how IFAD is implementing MfDR
• describes the benefits of MfDR to IFAD and its clients and partners
• highlights the key challenges to MfDR and how they may be overcome

The aim is to provide IFAD staff in the field and headquarters with the information needed to make MfDR an integral part of operations and to reinforce the collective focus on MfDR.
Setting the scene: the increased focus on aid effectiveness and the emergence of MfDR

Donors and developing countries alike want to know that aid is being used as effectively as possible, and they want to be able to measure results. The objective is to ensure that development activities lead to tangible and sustained improvements in the lives of people in developing countries (a goal commonly known as ‘development effectiveness’). This is embedded in the Millennium Development Goals (MDGs) that were adopted by 189 countries in 2000. More recently, at the High-Level Forum on Aid Effectiveness held in Paris in 2005, partner countries and multilateral and bilateral donors endorsed the Paris Declaration on Aid Effectiveness, making a commitment to work towards greater aid effectiveness as a vital contribution to achieving development goals.

The Paris Declaration focuses on five themes:

• country ownership
• donor-partner alignment
• inter-agency harmonization
• managing for results
• mutual accountability

As a signatory to the Paris Declaration, IFAD works with other donors and partners to fulfil a series of partnership commitments related to these themes.

MfDR is one of the specific commitments of the Paris Declaration. It is a management strategy for national and international development institutions and it focuses on using information on results to improve decision-making. It provides a framework for assessing performance, learning from experience and using resources more efficiently.¹

¹ ‘Managing for development results (MfDR)’ is synonymous with ‘results-based management (RBM)’, but as a concept it incorporates the newer ideas inherent in the 2005 Paris Declaration on Aid Effectiveness.
What is MfDR?

MfDR is simultaneously:
- a management approach
- a set of tools for strategic planning of activities and expenditures, managing risks, monitoring and evaluating performance, reporting and learning

In IFAD, MfDR applies across all units of the organization, both at headquarters and in the field. In this context the term ‘results’ refers to both outputs and outcomes, with a particular focus on the relationship between outputs and outcomes. (See Figure 1.)

MfDR prompts us to ask four fundamental questions:
- What results do we wish to achieve?
- What will we do to reach those results?
- How will we know that we have achieved them?
- How will we learn from experience and use that learning to further improve future performance?

Box 1. MfDR Concepts

MfDR draws on the theories of development change and change management. At its core are the concepts of:
- **goal orientation**, which by setting clear goals and results provides targets for change and opportunities for assessing whether change has occurred
- **causality** (also known as the ‘results chain’), which is the relationship between various elements over time, i.e. inputs and activities that lead logically to outputs, outcomes and impact (Figure 1 illustrates these relationships)
- **continuous improvement**, which through periodic measurement of results provides the basis for adjustment (such as tactical and strategic shifts) to keep management plans and programmes on track and maximize their outcomes
At the core of results thinking is the ‘results chain’, a mapping out of what we wish to achieve and how we arrive there. (See Figure 1.) The various steps in the basic approach include:

- **planning**, initially by focusing on impacts and intended outcomes and then by identifying the outputs, activities and inputs required to achieve them (moving from right to left in Figure 1)

- **tracking and managing performance**, which involves feeding information back into inputs and activities in order to make the necessary adjustments and improvements that lead to better results (moving from left to right in Figure 1)

Figure 1
The results chain

MfDR at IFAD: Introduction

IFAD is fully committed to MfDR as a means of improving development performance, not only in the programmes it supports, but also within IFAD itself: ‘focus on results’ is one of the organization’s core values. MfDR is one of the central themes of the organization’s recent reform agenda, the Action Plan for Enhancing IFAD’s Development Effectiveness. The key deliverables in the context of MfDR include:

- strengthened capability for strategic planning, resource alignment and results measurement and reporting through:
  - a re-formulated IFAD Strategic Framework 2007-2010
  - establishment of a results measurement framework with programme performance targets for 2010, agreed by the Executive Board
  - introduction of a results-based programme of work and budget
  - development of an annual report on IFAD’s development effectiveness
enhanced programme quality, performance and impact through:
- new results-based country strategic opportunities programmes (RB-COSOPs) that allow IFAD to work more closely with its country partners and within their poverty reduction strategies
- new project design guidelines and processes that enhance quality at entry by focusing discussion with partners on key success factors
- a new arms-length quality assurance system, which ensures that projects meet minimum standards for design quality
- a new supervision policy that enables IFAD to directly supervise a growing share of projects in its portfolio instead of outsourcing supervision to other institutions
- improved capability to innovate and manage knowledge gained through new strategies for innovation and knowledge management
- strengthened IFAD presence in client countries, underpinning the organization’s efforts to support the One UN pilot initiative and the partnership commitments of the Paris Declaration on Aid Effectiveness

improved human resource management and alignment with organizational objectives through a new human resources management framework

increased attention to the quality and efficiency of back-office processes that support IFAD’s development effectiveness

With the mainstreaming of these reforms into IFAD’s regular organizational and programming processes, a new corporate planning and performance management system (CPPMS) was set up to strengthen monitoring and management of IFAD’s internal performance. In essence, the CPPMS provides an organization-wide framework that encompasses new and pre-existing processes to:

- focus and manage IFAD’s work and align it with corporate strategic objectives
- ensure coherence between IFAD’s country-level activities and the management of the organization’s budget, human resources, internal processes and policies

The CPPMS relates to the work of every unit and individual. It is the framework of corporate management.
MfDR at IFAD: an integrated system

IFAD's approach to MfDR brings programme and organizational performance together into an integrated and coherent system of planning, monitoring and accountability. (See Figure 2.) The aim is principally to ensure that IFAD’s human and financial resources are aligned with and support achievement of its strategic priorities.

Figure 2
IFAD’s MfDR system
The strategic objectives set out in the IFAD Strategic Framework 2007-2010 are at the apex of the system, and they constitute the point of reference for the design and implementation of IFAD’s assistance to client countries and partners. Country programme and project performance in achieving the strategic objectives is tracked at entry, during implementation and at completion through the results measurement framework, which includes measures and targets for 2010 as agreed with IFAD’s Executive Board.

The capacity of programmes to achieve the strategic objectives is in turn sustained through organizational-level results known as corporate management results (CMRs), which are managed within the corporate planning and performance management system (CPPMS).

Using MfDR to achieve improved results at the country level

At the country level IFAD’s main planning and monitoring instrument is the results-based country strategic opportunities programme (RB-COSOP). It is the core instrument for managing the alignment of IFAD’s programme of work of loans and grants with the organization’s strategic objectives, and for learning and accountability within country programmes. It also promotes stronger alignment and synergy among individual loan-financed or grant-financed projects (including those at regional and global level), countries’ national development strategies, and the operational activities of other donors. In this way the RB-COSOP supports the Paris Declaration’s principles of alignment and harmonization.

As of 2008, RB-COSOPs are subject to a process of quality enhancement and assurance at the design stage. To support proactive management for results by country programme management teams at country level, reviews of RB-COSOPs take place annually, at mid-term and at completion. To contribute to the reviews, client/partner surveys are made each year to gauge clients’ and partners’ perceptions of IFAD’s performance. The surveys support the Paris Declaration principle of accountability and further develop the sense of ownership of the process at the country level. Upon completion of the country programme there will be a self-assessment of performance through RB-COSOP completion reviews (starting from 2011), and an independent assessment by IFAD’s Office of Evaluation (OE) through country programme evaluations conducted on a sample basis. Capturing lessons learned and integrating them into new and/or ongoing programmes is a critical feature of these reviews. IFAD’s new strategy for knowledge management underpins this feature.

At the project level, the quality enhancement (QE) and quality assurance (QA) processes strengthen the quality of project design.
Box 2. Quality enhancement, quality assurance and key success factors

The quality enhancement (QE) process has the aim of improving the quality of project design. It takes place in the course of the project design process, and is administered by the Programme Management Department. It consists of either in-country or in-house forums at which project designs are reviewed by a technical review committee (TRC) that includes specialists who are internal and external to IFAD. It is based on a series of key success factors (see below).

The quality assurance (QA) function is administered by the Office of the Vice-President and it makes arms-length assessments of the quality of project design at the final stage of project preparation (before the project is presented to the Executive Board for approval). The QA is also structured around the key success factors.

The key success factors (KSFs) are based on IFAD’s experience and recognized international best practice. They provide ‘clear and explicit quality standards’ and are the basis for guiding in-country work, peer advice, management review and decisions to enhance and assure the quality of projects. KSFs are reviewed and updated annually on the basis of feedback from various relevant stakeholders that are both internal and external to IFAD.

Project status reports (PSRs) and supervision reports provide self-assessed data for measuring and monitoring project performance during implementation. Self-assessment of project performance at completion is made through project completion reports (PCRs). These are in turn complemented by project evaluations that OE conducts on a sample basis. IFAD’s Results and Impact Management System supports reporting on projects’ outputs and impact.
The recently developed strategies on innovation and knowledge management are catalysts for improvements in the quality of programme design and implementation. The strategies complement each other, and both have the aim of increasing IFAD’s capacity to identify and promote innovative solutions and to learn from development practice. Consequently, they reinforce the impact of the organization’s development programmes.

Closely connected is IFAD’s work on policy analysis and advocacy. Although IFAD’s most direct impact on helping people overcome poverty is delivered at country level, a conducive and enabling environment at global and regional levels is also essential to maximizing the impact of country-level activity. Whenever possible, IFAD seeks to inform and influence that environment, often through the global and regional grant-funded programmes it supports.

The Report on IFAD’s Development Effectiveness (RIDE) and OE’s Annual Report on Results and Impact of IFAD Operations (ARRI) give an account of IFAD’s overall programme performance every year. They are IFAD’s principal external accountability tools.
Figure 4 illustrates the relationship and complementarity among the processes and instruments as just described.

**Figure 4**

*Overview of IFAD’s operating model*
Box 3. Strengthening MfDR capacities at country level

In addition to putting its own systems on an MfDR basis, IFAD is also supporting capacity-building for MfDR within client countries at both central and decentralized levels both to identify intended results and subsequently monitor and measure their achievement. For example, it is:

- strengthening monitoring and evaluation capacities within client countries’ Ministries of Agriculture (or equivalent)
- tightening links between monitoring and evaluation and project planning through the introduction of result-oriented annual work plans and budgets within the projects it supports
- identifying and supporting capacity development for statistics

These initiatives contribute to the promotion of MfDR at client country level, and moreover help to improve performance of project monitoring and evaluation systems, and consequently to enhance in-country capacities to effectively manage for development results.

IFAD is also supporting the initiative by the Joint Venture for MfDR to establish communities of practice (CoPs) in Asia-Pacific, Africa and Latin America, respectively, as model cases for South-South cooperation and peer-to-peer learning on MfDR approaches. They constitute major partner country networks and platforms for mutual learning, dissemination of knowledge and capacity development. Both the Asian and African CoPs use their established websites for virtual dialogues on specific topics. Further work is ongoing, particularly in support of the African CoP, to improve MfDR capacity gaps and create a community of practice strategy for addressing them. This could include a CoP member database, training materials, African MfDR tools, and a programme for sharing experiences within Africa and with the other CoPs in Asia-Pacific and Latin America.
Using MfDR to improve management of IFAD’s resources, internal processes and policies

Among the many factors that can affect a development organization’s achievement of results at the country level, internal performance management has a large role to play. Strengthening the monitoring and management of IFAD’s internal performance, over which it has direct control and full accountability, is fundamental to enhancing its contribution to country-level results. Towards this end, the organization set up the corporate planning and performance management system (CPPMS). The CPPMS provides an organization-wide framework to:

- focus and manage IFAD’s work and align it with its corporate strategic objectives
- ensure coherence between IFAD’s country-level activities and the management of its budget, human resources, internal processes and policies

At its core is a set of corporate management results (CMRs). The CMRs are derived from the IFAD Strategic Framework 2007-2010 and reflect what IFAD intends to improve on within the organization in the medium term in order to achieve its strategic objectives. The CMRs serve as the basis for focusing human and financial resources directly controlled by IFAD towards increasing programme quality, and ultimately towards enhancing development impact. They are defined as:

- **operational CMRs**, which comprise:
  - better country programme management
  - better project design (loans and grants)
  - better implementation support
  - more strategic international engagement and partnership

- **institutional support CMRs**, which comprise:
  - improved resource mobilization and management
  - improved human resource management
  - improved risk management
  - improved administrative efficiency
The CPPMS also includes:

- key performance indicators for tracking progress towards CMRs
- management plans to track departmental and divisional contributions to CMRs and lower-level management results
- processes for identifying and managing risks affecting achievement of the CMRs (see ‘MfDR and enterprise risk management’, below).

The system includes quarterly reviews known as performance conversations. They take place at senior management, departmental and divisional levels and review progress towards CMRs by means of key performance indicators and a ‘traffic light’ system. They also review risks. The system has links to the budget through the results-based programme of work and budget, as well as to the corporate risk register and the individual performance plans and evaluations of all staff members through the performance evaluation system (PES).

**The CPPMS: IFAD’s corporate management results**

The CMRs are applied across the organization according to their relevance to the programme of work of each division. Some, such as CMR 5, improved human resource management, are mandatory for all divisions, while others are mandatory for specific divisions. For example CMR 1, better country programme management, is mandatory for divisions in the Programme Management Department. But it is important to emphasize the corporate nature of the CMRs, and that all divisions contribute either directly or indirectly to the achievement of all of them.

The top-tier CMRs focus on the operational activities of IFAD that bear directly on its development effectiveness: country programmes, projects, partnerships and policy activities. CMRs 1, 2 and 3, in particular, directly underpin the alignment between country-level results and the management of IFAD’s internal performance.
CMR 1, **better country programme management**, focuses on strengthening the quality of country programme design and management. Performance relative to this CMR largely depends on success in making RB-COSOPs operational (including the associated quality enhancement and assurance mechanisms described above) and on the new way of doing business that they embody.

CMR 2, **better project design (loans and grants)**, emphasizes the priority for IFAD of ensuring that projects are designed to the highest quality. Successful implementation of the new project quality enhancement and quality assurance processes is key to the achievement of this CMR.

CMR 3, **better implementation support**, relates to project supervision and the support that IFAD provides to project implementation. Performance relative to this CMR depends on monitored operationalization of IFAD’s new supervision policy and guidelines.

CMR 8, **more strategic international engagement and partnership**, is related to IFAD’s ability to promote a conducive environment for its operations in order to maximize their impact through advocacy efforts and by building and promoting fruitful partnerships with and between relevant donors, institutions and representatives of poor people. This CMR was introduced in 2008.

Performance relative to all of the above CMRs depends on the successful implementation of the new knowledge management and innovation strategies.

Improving performance relative to operational CMRs is also highly dependent on performance of CMRs 4, 5, 6 and 7, which relate to providing the organizational platform for IFAD’s development effectiveness.
CMR 4, improved resource mobilization and management, has two thrusts, since it has the aims of increasing the size and security of IFAD’s financial resource base (through resource mobilization in the context of IFAD’s replenishments) and of improving the way in which those resources are managed.

CMR 5, improved human resource management, focuses on improving the quality of human resources management within IFAD. Key priorities include: strengthening managerial capabilities, developing the technical and functional capacity of staff in line with evolving functions particularly in the operational area, improving the staff performance planning and evaluation system (PES) and individual accountability for results, and improving the quality and efficiency of human resource services. The new human resources management framework and the Human Resources Management Committee guide these initiatives.

CMR 6, improved risk management, is key to successful achievement of objectives at all levels. The main thrust of this CMR is to strengthen institutional capabilities to manage risks by embedding risk management into existing management process, for example in divisional management plans, the corporate risk register and RB-COSOPs. The development and mainstreaming of enterprise risk management (ERM) in IFAD is a key priority under this CMR, which is guided by the recently established Enterprise Risk Management Committee.

CMR 7, improved administrative efficiency, has the aim of ensuring that IFAD’s human and financial resources are used in the most efficient way possible to achieve its mandate to reduce rural poverty. The ultimate aim of this CMR is to maximize the share of budgetary resources dedicated to operational activities. To pursue this CMR, IFAD is rationalizing and streamlining business processes to ensure more efficient performance and delivery of quality internal services and to allow staff to reduce time spent on administrative tasks.
The CPPMS: main instruments and processes

Various complementary instruments are in place to support alignment and performance management at different levels of the organization in order to achieve the CMRs and the corporate strategic objectives. As shown in the lower left part of Figure 2, these include:

- at corporate level, the results-based programme of work and budget
- at the department level, strategic department plans (SDPs)
- at the divisional level, divisional management plans (DMPs)
- at the staff level, individual performance planning and evaluation under the performance evaluation system (PES)

The key objective of the results-based programme of work and budget is to ensure that all expenditures and resources under the programme of work of loans and grants are allocated to support effective and efficient achievement of development results. In relation to the programme of work of loans and grants, the results-based programme of work and budget is guided on the one hand by the performance-based allocation system and the debt sustainability framework, which determine the level and form of financing on a country-by-country basis, and on the other hand by the country strategies and programmes agreed with client countries. Administrative expenditures are in turn underpinned by internal planning and monitoring instruments, principally the strategic departmental plans and divisional management plans (see below) that focus on the CMRs.

The strategic departmental plans (SDPs) are department-level planning instruments. SDPs play a key role in identifying and articulating strategic priorities and establishing high-level resource allocations across departments and CMRs. They represent a higher-level medium-term plan for departments that translates the CMRs into concrete results and performance targets for the department, setting the stage for development of DMPs. SDPs are updated annually on a rolling basis.

Results-based divisional management plans (DMPs) link division-level management results to CMRs (through the SDPs), demonstrating what each division plans to contribute to the CMRs and providing a basis for assessing success and managing performance. DMPs are prepared on an annual basis.
DMPs also serve as a basis for **individual staff performance plans** and evaluations under the PES, promoting their alignment with the CMRs.

These tools are complementary and integrated, cascading from the corporate strategic level to the departmental, divisional and individual staff level.

**Key performance indicators (KPIs)** are used in all of these tools to track progress towards CMRs and the delivery of specific outputs associated with them. Regular performance reviews of KPIs allow the identification of areas where performance is not on track, so that the necessary actions can be taken to ensure achievement of planned results. KPIs are designed to promote **improvement**.

SDPs and DMPs are the basis for monitoring performance and risks at quarterly intervals and at divisional, departmental and senior management levels through so-called **performance conversations**. Performance conversations provide a regular opportunity for managers and staff to assess the progress made towards reaching planned results. They serve to highlight the main problems and/or success factors, and identify and monitor action to overcome performance problems. Performance conversations also have the aim of providing a space for learning and information sharing.

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**Box 4. The power of measuring performance and results**

- If you measure results, you can report success.
- If you can see success, you can reward it.
- If you can reward success, you are less likely to reward failure.
- If you can see success, you can learn from it.
- If you can recognize failure, you can correct it.
- If you can demonstrate results, you can win public support.
At all levels, quarterly performance reporting comprises four complementary elements:

- KPI data, which is quantitative in nature
- Brief narratives to round off KPI data with relevant qualitative information and proposed actions for improvement
- ‘Traffic lights’ (green, yellow, and red) expressing actual versus planned performance at both KPI and results levels
- A brief account of progress in mitigating identified risks

At divisional level, performance conversations are reported on through divisional performance conversation reports. These are subsequently aggregated and summarized into departmental performance overview reports and departmental risk registers that are the basis for the department-level performance conversation. Ultimately, the IFAD quarterly performance and budget report and the corporate risk register are produced for the senior management-level performance conversation.

**MfDR and enterprise risk management**

As an integral element of MfDR and, ultimately, as a contribution to raising its development effectiveness, IFAD is committed to enterprise risk management (ERM) to establish a conscious, systematic and effective approach to managing risks (opportunities and threats). Risk management is fully embedded within the CPPMS through the DMPs and interlinked department-level and corporate-level risk registers.

Through the DMPs, divisions can identify, assess (by using a 3-by-3 impact probability matrix), and then define appropriate actions to mitigate or exploit risks that may constrain (or enhance) their ability to achieve planned results. Monitoring of those actions is carried out as part of the regular quarterly performance conversations. Mechanisms are in place to escalate management of risks from the divisional to the department or corporate levels to ensure that the relevant risk is raised to the appropriate managerial level and given the necessary attention. Department and corporate risk registers are used to capture and manage broader risks affecting the achievement of IFAD’s CMRs or strategic objectives that may have been identified in a top-down fashion. Department-level and corporate-level risk registers are reviewed quarterly.
What are the benefits of MfDR for IFAD and its development partners?

The benefits of MfDR for IFAD are:

- more focused and coherent planning of results and management of resources, activities and outputs to achieve them
- establishment of an environment and culture that promotes continuous learning and improvement
- a more dynamic flow of information about performance to be integrated into decision-making
- better management of risks

The benefits for clients and partners are:

- improved client and partner orientation, as their satisfaction is an important performance indicator of IFAD’s success
- increased partner country ownership of the programmes that IFAD supports
- increased proactivity and responsiveness in solving problems encountered in these programmes

Overall, MfDR will help IFAD contribute more effectively to improving the livelihoods of rural people and demonstrate to donors and partner countries that resources are managed effectively and for the maximum benefit of poor people.
Some key challenges of MfDR, and how they may be overcome

Fostering a ‘culture of results’

Fostering a ‘culture of results’ is crucial to implementing MfDR.

In practice, fostering a culture of results means creating an environment in which inquiry, evidence and learning are valued as essential to good management.

Organizations that have a strong culture of results:

• engage in self-reflection and self-examination
  - deliberately seeking evidence of what they are achieving
  - using results information to challenge and support what they do
  - valuing candour, challenge and genuine dialogue

• engage in results-based learning
  - making time to learn
  - learning from mistakes and weak performance
  - encouraging knowledge transfer

• encourage experimentation and change
  - supporting deliberate risk-taking
  - developing new ways of doing business

Organizations with a weaker culture of results might, for example:

• gather results information but limit its use mainly to reporting

• acknowledge the need to learn without providing time or structured occasions for learning

• undergo change only with great effort

• claim to be focused on results but discourage challenge and questioning of the status quo

• talk about the importance of results but frown on risk-taking and mistakes

• talk about the importance of results but place value on following process and delivering outputs

2 Adapted from: Evaluation of Results Based Management at UNDP (2007), and Colloquium on Managing for Development Results in ADB (2006).
The following approaches based on best practices can be used to foster a culture of results.

- **Demonstrated senior management leadership and commitment.** All discussions regarding implementation of results management identify strong senior leadership as an essential factor. It is crucial to provide visible and accountable leadership through actions such as identifying and supporting results management champions, ‘walking the talk’ (providing consistent leadership in results management) and demonstrating the benefits of results management.

- **Informed demand for results information.** A culture of results can be greatly enhanced if managers at all levels, especially senior levels, consistently and routinely ask for results information in the planning, implementing and reviewing contexts. In this way, results information becomes a routine and natural part of management of the organization.

- **A results-oriented accountability regime.** If managers are accountable simply for following procedures and delivering planned outputs, there is little incentive to seek evidence on the outcomes being achieved. If managers are not held accountable for achieving outcomes, they tend to ensure accountability only for outputs. There is a need to adapt the accountability regime to include the ideas of influencing outcomes and rewarding good managing for outcomes.

- **Supportive organizational systems, practices and procedures.** Having the proper formal and informal incentives in place is essential to fostering a culture of results. Rewarding good managing for results – which includes undertaking self-evaluation, undertaking informed risk and experimentation, and sharing information on results – shows that the organization does indeed value inquiry and reflection. Managers seeking to achieve outcomes need to be able to adjust their operations as they learn what is working and what is not. Managing only for planned outputs does not foster a culture of inquiry about the impacts of delivering those outputs.

- **A capacity to learn and adapt.** Learning from empirical evidence of past performance is at the heart of a results culture. It requires deliberate efforts to build the capacity for and acceptance of learning in an organization. Creating institutionalized learning events, providing group learning opportunities, supporting information sharing and communication structures, making the time to learn and providing adequate resources for learning, seeing mistakes as opportunities to learn and focus on best practices are all ways to foster a culture of learning.
• **Results measurement and results management capacity.** Building a culture of results in an organization requires a capacity to formulate and measure results, and a capacity to understand how results information can be used to help managers manage. Some level of in-house professional results-based management support is usually required to assist managers and staff. Senior managers and managers need to understand results management and how to support it. This capacity can be enhanced through training, by using peer champions, and providing senior managers with the kinds of results questions they may ask routinely. These may include:
  - Are you making progress in achieving planned results? What results have been achieved to date?
  - How do you know you are or will be achieving results? How are you tracking this? Is the evidence cogent and reliable?
  - Have we done this before, and what did we learn?

**What is the difference between managing ‘by’ versus ‘for’ results?**

In comparing results management systems, the distinction is sometimes made between managing by results and managing for results. It is paramount to stress the importance of management over reporting. The fundamental goal of results management is to improve development effectiveness, which requires helping managers to manage better. Managing by results is principally oriented towards accountability and external reporting. Managing for results focuses on a cycle of planning, periodic performance monitoring and organizational learning. In implementing MfDR, the emphasis within IFAD is primarily on management and learning, and secondarily, but also importantly, on improved external reporting.

**How are staff accountable for outcomes?**

MfDR recognizes that outcomes, by definition, are results over which managers do not have control. This is particularly true in the context of development projects, in which the major approach to project implementation involves national execution. So how can staff be held accountable for managing towards outcomes?

MfDR means that managers are held accountable for contributing to (or influencing) outcomes, rather than for achieving outcomes per se, and for learning, which involves adjusting activities and outputs as a result of tracking of performance.
MfDR asks if staff have done everything possible, using their authority and resources, towards the achievement of intended outcomes. In particular, accountability for outcomes involves:

- monitoring by using empirical evidence, and reporting on the extent to which intended outcomes (results) have been achieved
- demonstrating that staff have made a difference and have contributed through actions and efforts to the outcomes (results) achieved
- demonstrating that staff have learned from past experience about what works and doesn’t work, and have adjusted implementation of activities and outputs accordingly

**How may staff deal with attribution?**

A key question in results management is whether the activities undertaken and the outputs produced have indeed made a difference in bringing about the expected results.

Results measurement is not likely to prove the extent of IFAD influence in a definitive manner. Measurement in the public sector should be considered a means of reducing the uncertainty about what is happening rather than a means of definitively proving something. The goal is to provide enough evidence to lead a reasonable person who is aware of the context to conclude that IFAD is likely to have made a difference. In other words, are the performance indicators consistent with the conclusion that IFAD has contributed to the targeted development outcomes? Flexibility in measurement approaches would allow use of a broad variety of means to increase understanding about the performance of a programme from different perspectives. Such evidence might include:

- an explanation of the results chain, and of why it is expected that IFAD’s activities are likely to have made a difference
- empirical evidence that the chain of results has unfolded more or less as expected and that the expected outcomes have been achieved, and that the chain of events leading to those results has occurred
- a discussion of other factors affecting the achievement of results
Glossary

Action Plan for Enhancing IFAD’s Development Effectiveness
IFAD’s reform agenda. It states the organization’s core values, including the ‘focus on results’ that is one of the central themes of MfDR.

Activities
Tasks and actions undertaken to transform inputs into outputs.

Causality
The relationship between various elements over time, such as inputs and activities that lead logically to outputs, outcomes and impact. One of the basic concepts of MfDR, it is also known as the results chain.

Communities of practice on MfDR
Major partner country networks and platforms for mutual learning, dissemination of knowledge and capacity development. IFAD supports them through the Joint Venture for MfDR.

Continuous improvement
A basic concept of MfDR. It uses periodic measurement of results to provide the basis for adjustments such as tactical and strategic shifts to keep management plans and programmes on track and maximize their outcomes.

Corporate management results (CMRs)
The CMRs are organizational-level results derived from the IFAD Strategic Framework 2007-2010 and reflect what IFAD intends to improve on within the organization in the medium term in order to achieve its strategic objectives. CMRs serve as the basis for focusing human and financial resources directly controlled by IFAD towards increasing programme quality and enhancing development impact.

Corporate planning and performance management system (CPPMS)
The system that strengthens monitoring and management of IFAD’s internal performance by providing an organization-wide framework to:

• focus and manage IFAD’s work and align it with corporate strategic objectives
• ensure coherence between IFAD’s country-level activities and management of the organization’s budget, human resources, internal processes and policies.
Culture of results
An environment in which inquiry, evidence and learning are valued as essential to good management. It is a crucial condition for implementing MfDR.

Development effectiveness
The goal of development activities that lead to tangible and sustained improvements in the lives of people in developing countries.

Divisional management plan (DMP)
A plan that links division-level management results to CMRs (through SDPs), demonstrating what each division plans to contribute to the CMRs and providing a basis for assessing success and managing performance.

Enterprise risk management (ERM)
A conscious, systematic and effective approach to managing risks (opportunities and threats) across the organisation.

Goal orientation
A basic concept of MfDR that sets clear goals and results, providing targets for change and opportunities for assessing whether change has occurred.

IFAD Strategic Framework 2007-2010
The Strategic Framework 2007-10 sets out IFAD’s strategic objectives and principles of engagement, and provides the point of reference for the design and implementation of IFAD’s assistance to client countries and partners. It constitutes the apex of IFAD’s MfDR system.

Impact
Long-term improvement in society.

Inputs
Financial, human and material resources.

Key performance indicator (KPI)
Used in all MfDR tools, KPIs help track progress towards CMRs and the delivery of specific outputs associated with them. KPIs are designed to promote improvement.

Key success factor (KSF)
Used in the QE and QA processes, KSFs are one of a series of clear and explicit quality standards guiding in-country work, peer advice, management review and decisions to enhance and assure the quality of projects. The standards are based on IFAD’s experience and recognized international best practice.
Managing for development results (MfDR)

One of the specific commitments of the Paris Declaration. It is a management strategy for national and international development institutions and it focuses on using information on results to improve decision-making. It provides a framework for assessing performance, learning from experiences and using resources more efficiently.

MfDR is simultaneously a management approach and a set of tools for strategic planning of activities and expenditures, managing risks, monitoring and evaluating performance, reporting and learning.

IFAD’s approach to MfDR brings programme and organizational performance together into an integrated and coherent system of planning, monitoring, management and accountability.

Millennium Development Goals (MDGs)

Commitments and targets adopted by a global partnership of 189 countries in 2000 in response to the world’s main development challenges. The MDGs promote poverty reduction, education, maternal health, gender equality, and aim at combating child mortality, AIDS and other diseases.

Outcomes
Intermediate effects on clients.

Outputs
Products and services produced.

Paris Declaration on Aid Effectiveness

A document endorsed at the High-Level Forum on Aid Effectiveness held in Paris in 2005, in which partner countries and multilateral and bilateral donors made a commitment to work towards greater aid effectiveness as a vital contribution to achieving development goals. It focuses on five themes: country ownership; donor-partner alignment; inter-agency harmonization; managing for results; and, mutual accountability.

Performance conversation
Performance conversations provide an opportunity each quarter for managers and staff to assess the progress made, and risks, towards reaching planned results. They serve to highlight the main problems and/or success factors, and to identify and monitor action to overcome performance problems. Performance conversations also have the aim of providing a space for learning and information sharing.

Performance evaluation system (PES)
A management system for planning, developing and evaluating staff performance.
Project completion report (PCR)
A self-assessment of project performance at completion.

Project status report (PSR)
Together with the supervision report, it provides self-assessed data for measuring and monitoring project performance during implementation.

Quality enhancement (QE)
A process with the aim of improving the quality of project design that is administered by the Programme Management Department. It consists of either in-country or in-house forums at which project designs are reviewed by a technical review committee (TRC) that includes specialists who are internal and external to IFAD.

Quality assurance (QA)
The quality assurance function, which is administered by the Office of the Vice-President, makes arms-length assessments of the quality of project design at the final stage of the project’s preparation, before it is presented to the Executive Board for approval.

Results chain
See Causality.

Results-based country strategic opportunities programme (RB-COSOP)
IFAD’s main planning and monitoring instrument at the country level. It is the core instrument for managing the alignment of IFAD’s programme of work of loans and grants with the organization’s strategic objectives, and for learning and accountability within country programmes.

The RB-COSOP also promotes stronger alignment and synergy among individual loan- or grant-financed projects (including those at regional and global level), the operational activities of other donors, and countries’ national development strategies.

Results-based programme of work and budget
A programme with the objective of ensuring that all expenditures and resources in the form of loans and grants are allocated to support effective and efficient achievement of development results.

Results and impact management system (RIMS)
A system that supports reporting on projects’ outputs and impact.

Strategic departmental plans (SDPs)
Department-level planning instruments that play a key role in identifying and articulating strategic priorities and establishing high-level resource allocations across departments.
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Building a poverty-free world

In 2008, IFAD marks 30 years of fighting rural poverty and hunger. IFAD was created in response to the droughts and famines that killed many millions of people in Africa and Asia in the early 1970s. World leaders at the 1974 World Food Conference decided to form a global alliance to fight rural poverty, an underlying cause of hunger and malnutrition. Their vision was a new and unique partnership between the members of the Organisation for Economic Co-operation and Development (OECD) and the Organization of the Petroleum Exporting Countries (OPEC) and other developing countries dedicated to agriculture and rural development.

IFAD is an international financial institution and a specialized United Nations agency. Since 1978, IFAD’s member countries have together invested more than US$10 billion in loans and grants, helping over 300 million poor rural women and men to grow more food, improve their land, learn new skills, start businesses, build strong organizations and communities, and gain a voice in the decisions that affect their lives. But hunger and poverty remain widespread in many countries, and poor rural people face new and daunting challenges, such as climate change. Now on the 30th anniversary of IFAD’s founding, we honour our founders’ vision and renew our commitment to enabling poor rural people to overcome poverty.