

MfDR at IFAD: An integrated system

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.

Enabling poor rural people to overcome poverty

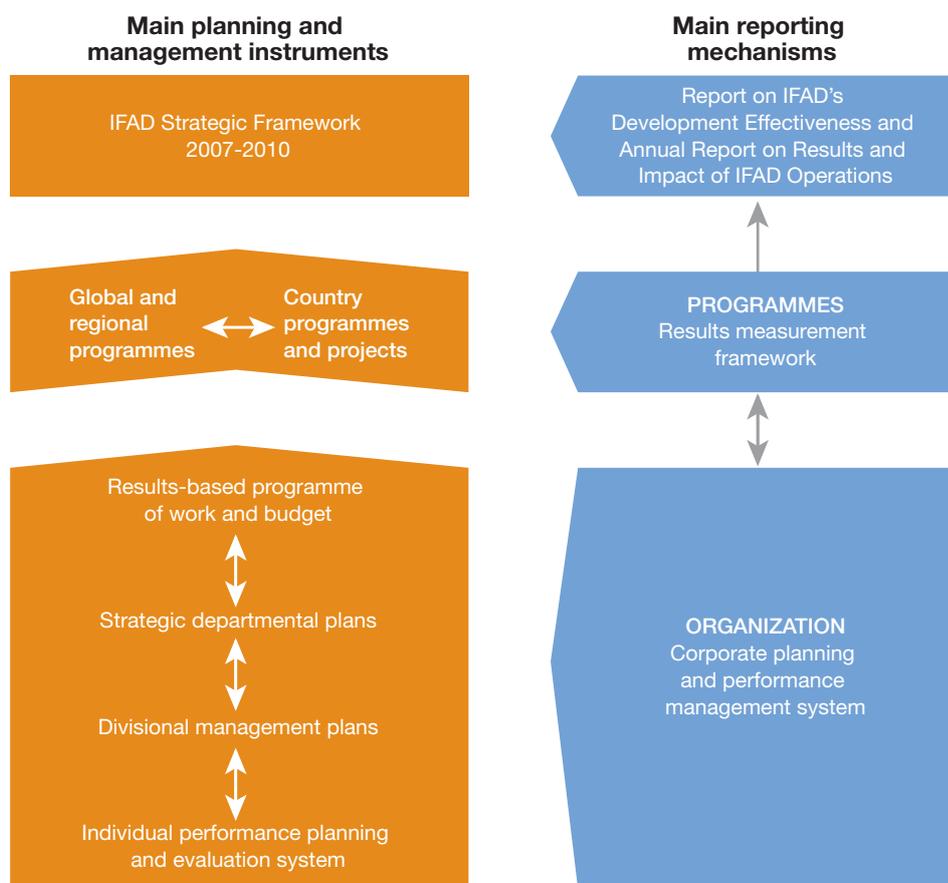


MfDR at IFAD: An integrated system

As a signatory to the Paris Declaration on Aid Effectiveness, IFAD is fully committed to management for development results (MfDR) as a means to improve 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.

IFAD's approach to MfDR brings programme and organizational performance together into an integrated and coherent system of planning, monitoring and accountability (figure 1).

Figure 1
IFAD's MfDR system



The strategic objectives set out in the IFAD Strategic Framework 2007-2010 are the reference point for design and implementation of assistance to client countries and partners. IFAD tracks country programme and project performance in achieving these objectives at entry, during implementation and at completion. It does so through the results measurement framework, which includes measures and targets for 2010 as agreed with IFAD's Executive Board.

The ability of programmes to achieve the strategic objectives is in turn supported through the achievement of organizational-level results, known as corporate management results, which are managed within the corporate planning and performance management system.

Using MfDR to improve in-country results

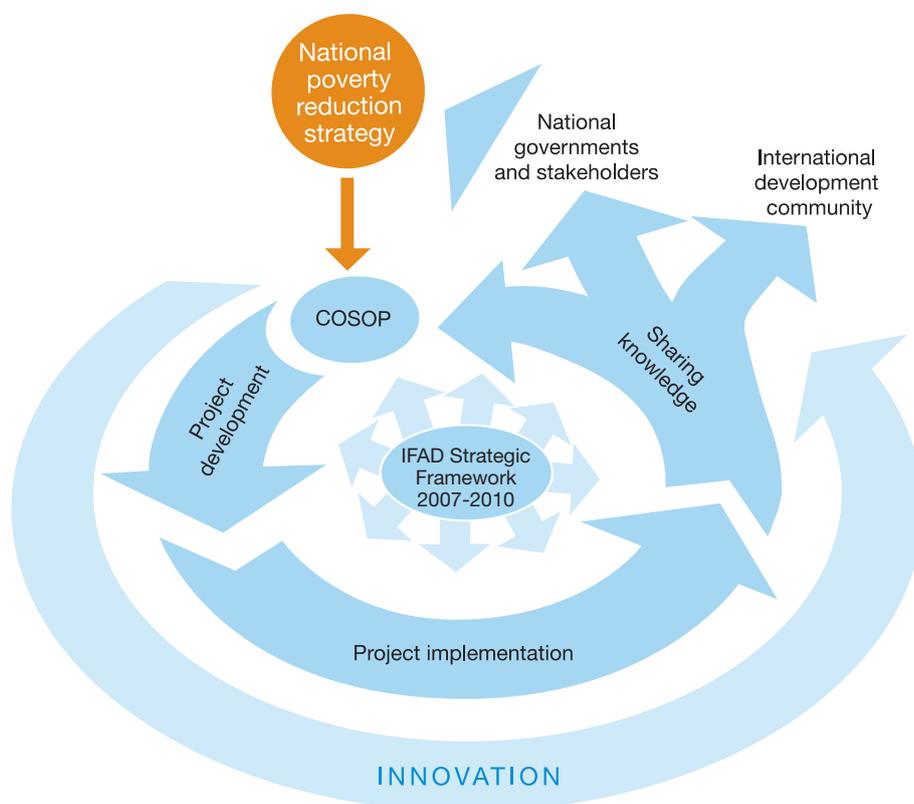
At the country level, IFAD's main planning and monitoring instrument is the results-based country strategic opportunities programme (RB-COSOP) (figure 2). It is the core instrument for managing alignment of IFAD's programme of work of loans and grants with the organization's strategic objectives, and for learning and accountability within country programmes. It also promotes stronger alignment and synergy among individual loan- or grant-financed projects (including those at regional and global levels), and with the operational activities of other donors and of countries' national development strategies. In this way, the RB-COSOP supports the Paris Declaration's principles of alignment and harmonization.

To contribute to the overall process, the organization conducts annual client/partner surveys to gauge clients' and partners' perceptions of IFAD's performance. The surveys – and the modifications in response to them – support the Paris Declaration principle of accountability and further develop the sense of ownership of the process at the country level.

At the project level, quality enhancement and assurance processes strengthen project design. Status and supervision reports provide data for measuring and monitoring project performance during implementation, while project completion reports self-assess performance at completion. These are complemented by project evaluations that the independent Office of Evaluation (OE) at IFAD conducts on a sample basis. IFAD's Results and Impact Management System (RIMS) supports reporting on projects' outputs and impact.

The Report on IFAD's Development Effectiveness and OE's Annual Report on Results and Impact of IFAD Operations (ARRI) examine IFAD's overall programme performance each year. They are IFAD's principal external accountability tools.

Figure 2
Using MfDR to improve in-country results



Strengthening MfDR capacities at the country level

In addition to applying MfDR to its own systems, IFAD is also building capacity for MfDR within client countries at central and decentralized levels – both to identify desired results and to subsequently monitor and measure their achievement. For example:

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

IFAD is also supporting an initiative of the Joint Venture for MfDR to establish 'communities of practice' (CoPs) in Asia-Pacific, Africa and Latin America, as model cases for South-South cooperation and peer-to-peer learning in MfDR approaches. CoPs constitute major partner country networks and platforms for mutual learning, dissemination of knowledge and capacity development. Both the Asian and African CoPs host dialogues on specific topics on their websites. Work is continuing, particularly in support of the African CoP, to reduce MfDR capacity gaps and create a CoP strategy for addressing them. This could include a member database, training materials, African MfDR tools, and a programme for sharing experiences within Africa and with other CoPs in Asia-Pacific and Latin America.



Using MfDR to improve management of IFAD's resources, internal processes and policies

Strengthening the monitoring and management of its internal performance, over which IFAD 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 correlation 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 desired corporate management results (CMRs) that reflect what IFAD intends to improve within the organization, in the medium term, to achieve its strategic objectives:

- **operational CMRs include better:**
 - country programme management
 - project design (loans and grants)
 - implementation support
 - international engagement and partnership
- **institutional support CMRs include improved:**
 - resource mobilization and management
 - human resource management
 - risk management
 - administrative efficiency

The CPPMS also includes:

- key performance indicators for tracking progress towards the CMRs
- management plans to track departmental and divisional CMR contributions and lower-level management results
- processes for identifying and managing risks to achievement of the CMRs

The system is linked to the budget through the results-based programme of work and budget, as well as to the corporate risk register. The performance evaluation system links it to the individual performance plans and evaluations of all staff members.

Overcoming key challenges in MfDR

The fostering of a 'culture of results' is crucial to implementing MfDR.

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

– adapted from Evaluation of Results-Based Management, UNDP 2007

Organizations with a strong culture of results:

- engage in self-reflection and self-examination
 - deliberately seeking evidence of what they are achieving
 - using results to challenge and support what they do
 - valuing candour, challenge and genuine dialogue
- commit to 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 paradigms for doing business

Based on best practices, the following approaches can be used to foster a culture of results:

- **Demonstrated senior management leadership and commitment.** Visible and accountable leadership is crucial – 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.** Consistent, routine requests for information on results in the contexts of planning, implementing and reviewing, by managers at all levels and particularly at senior levels, greatly enhances a culture of results. Such information thus becomes a routine and natural part of the management of the organization.
- **A results-oriented accountability regime.** The organization must adapt the accountability regime to include the ideas of influencing outcomes and of rewarding managing for outcomes.
- **Supportive organizational systems, practices and procedures.** Formal and informal incentives are essential in fostering a culture of results. Rewarding managing for results – which includes self-evaluation, informed risk and experimentation, and sharing of results information – shows that the organization does, indeed, value inquiry and reflection.
- **A capacity to learn and adapt.** Learning from empirical evidence of past performance is at the heart of a results culture. Building capacity for and acceptance of learning in an organization calls for deliberate effort. Creating institutionalized learning events, providing group learning opportunities, supporting information-sharing and communication structures, making time to learn and providing adequate resources for doing so, seeing mistakes as opportunities to learn, and focusing on best practices are all ways of fostering a culture of learning.
- **Results measurement and results management capacity.** Building a culture of results entails the capacity to formulate and measure results and to understand how this information can be used to help managers manage. To this end, organizations usually require some level of in-house professional support for results-based management. Managers at all levels need to understand results management and how to support it.

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Building a poverty-free world

IFAD was created 30 years ago to tackle rural poverty, a key consequence of the droughts and famines of the early 1970s. Since 1978, IFAD has invested more than US\$10 billion in low-interest loans and grants that have helped over 300 million very poor rural women and men increase their incomes and provide for their families.

IFAD is an international financial institution and a specialized United Nations agency. It is a global partnership of OECD, OPEC and other developing countries. Today, IFAD supports more than 200 programmes and projects in 84 developing countries.



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