QUALITY ENHANCEMENT FOR PROJECT DESIGN

Guidelines for Internal Project Review

December 2007
IFAD – Programme Management Department
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PART I
THE QE GUIDANCE FRAMEWORK AND NEW FEATURES

Section 1 Introduction

1. Based on the recommendations of the Independent External Evaluation (IEE) of 2005, the Action Plan committed IFAD to strengthen its internal quality enhancement procedures and to ensure that the grants and loan financed projects are grounded in the best knowledge about critical issues for rural poverty reduction. IFAD’s Strategic Framework, 2007-2010, states, than project quality improvement should be based on upgrades of present institutional arrangements rather that “creating a new checking system for project quality alongside those which already exist”. The OE Annual Report on the Results and Impact of IFAD Operations Evaluated in 2005 (ARRI 2006) notes the central importance of accurately identifying key project success factors and risks as early as possible in project preparation.

2. To respond to these objectives and observations require reform of IFAD’s project design process and its internal quality review system. The guidance framework presented here was developed as part of IFAD’s Action Plan.

3. IFAD’s existing quality enhancement guidance framework was reviewed (existing administrative procedures, corporate policies, operational guidelines and existing ‘best practice tools’, learning notes), as well as the in-house project review mechanisms (e.g. Project Development Team (PDT), Technical Review Committee (TRC) and Operational Strategy and Policy Guidance Committee (OSC)). During this process, advice was sought from partner institutions such as the World Bank and Asian Development Bank. The present guidelines introduce the changes to IFAD’s internal project review process.

4. The most important new features of the new quality enhancement internal review framework include the identification of six Key Success Factors (KSF) against which project quality is to be reviewed; a Maturity Assessment Template (MAT) to be used by Country Program Managers (CPM) and reviewers to record their assessments; and a TRC panel and TRC week. These were pilot-tested between March and July 2007. PMD management decided to adopt a learning-by-doing approach, testing before proposing reform of existing systems. It allowed for an adequate testing-learning loop (design-application-feedback-re-design, etc.) by the primary stakeholders, and has created confidence in the adequacy of the proposals included here.

5. The new features of the project quality enhancement framework and processes have been guided by:

- IFAD’s Strategic Framework 2007-2010, e.g. the strategic objectives and six principles of engagement;
- IFAD’s project design cycle;
- management review processes and procedures for TRC and OSC; and
- IFAD’s new Results Measurement Framework (RMF) and the corporate and departmental Key Performance Indicators (KPIs), which call for better pipeline development and project design within high quality country programmes measured by two KPIs: percentage of projects rated good or better and percentage of projects independently assessed as satisfactory.

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1 The RMF was approved by the Executive Board during its September 2007 session. The RMF includes 6 indicators which will assess Quality at Entry targets of design of county programmes and projects.
6. The guidance framework and guidelines for internal review of project design build on synergies with other deliverables of IFAD’s Action Plan, including: approved guidelines for results-based COSOP (RB-COSOP); development of a new Project Design Report (PDR); establishment of Country Programme Management Teams (CPMT); IFAD’s new Knowledge Management Strategy, engagement of external sources of expertise and partnerships and thematic groups or communities of practice; and, finally, the Quality Assurance (QA) function.

7. The guidelines are presented in three parts. Part I is constituted by six sections, including this introductory section. Section 2 describes the analysis of the existing quality enhancement (QE); Section 3 delineates a schematic overview of the new QE and QA framework; Sections 4-6 describe the various levels of the QE framework and the new features. Part II provides the detailed QE guidelines in a step-by-step approach. Part III includes 4 Annexes that present: the KSFs, the MATs, and templates for a reviewers’ recommendation note and the TRC report.

Section 2. Lessons Learned

8. Quality enhancement during project design process. IFAD has a well-established project cycle that was changed in a comprehensive manner in 1994 and 1996 and most recently in 2001. Currently the project development cycle is characterised by a number of design stages that produce free-standing repetitive documents of variable size and scope. The incremental quality at each successive design stage is not easily discernable. The Independent External Evaluation concluded in 2005, that IFAD projects are both under- and over-designed. Major design weaknesses included aspects such as effectiveness of targeting, sustainability, and institutional analysis and implementation arrangements. Over-design weaknesses included the length and complexity of documents.

9. The existing guidance framework for internal project review. IFAD has developed, over the years of its existence, a wide array of corporate policies and strategies, operational guidelines and administrative instructions. They aim to guide and regulate various aspects of country strategy, project development and implementation. (e.g. policies for Rural Finance, SWAPs and Targeting, Private Sector and Partnerships). These are important and mandatory guidance for CPMs and their design teams and for the internal review e.g. TRC and OSC. Most recently, the introduction of Learning Notes\(^2\) has been an initial step towards more explicit and pragmatic guidance for quality enhancement during project design.

10. Although the existing policies and procedures are mandatory, they do not constitute a comprehensive and practical guidance framework. They do not provide practical guidance on the expected quality standards to be delivered. New staff (e.g. CPMs) and consultants confirm that while they recognize the importance of IFADs policies, they lack access to a single source document that establishes the requirements and expectations for the various stages of internal project review.

11. It was concluded that the establishment of Key Success Factors on which to judge projects at each stage of preparation, accompanied by a single-source reference document, would streamline the existing guidance and provide an effective guide on quality standards for both project design teams and for internal reviewers e.g. TRC and OSC.

12. Existing internal peer and management review mechanisms. At present there are three management review mechanisms of quality enhancement and quality control during design. These include the review by PMD’s management team, the TRC and OSC. There exists one peer review

\(^2\) Action Plan deliverable, March 2006
mechanism, the PDT. It is the reform of these mechanism and their related processes that these guidelines focus on. 3

13. **The Project Development Team (PDT).** This mechanism of peer support for a CPM during the project design was established in 1998. At the outset, the main purpose was to create a team to enable greater sharing and learning, by supporting a CPM in delivering a new project design with in-house experts. A PDT is established at the initial stage of delivery of a project inception report. The composition of each PDT is decided by the CPM. A typical PDT is composed of 4-6 members.

14. The functioning of the PDT has suffered from chronic lack of sufficient staff time, a limited range of knowledge and skills to choose from within IFAD, and an inadequate culture of peer review in the house. As a result, the PDT increasingly has become a ‘rubber stamping’ event as they are scheduled at the last minute just prior to a TRC. Instead of a learning-sharing opportunity, PDTs have evolved into a first ‘checker’ session seeking the required PDT clearances to proceed to TRC 4.

15. **The Technical Review Committee (TRC).** The TRC review by Technical Advisory Division (PT) is guided by a set of learning notes, IFAD’s operational policies (e.g. Rural Finance, Private Sector Strategy, etc.) and the PT Advisor’s experience. It is predominantly an internal review characterized by interactions amongst PT staff and exchanges with a CPM, PDT, or the Assistant-President PMD. PT uses consultants to review specific sub-sectors (e.g. forestry, fisheries).

16. The TRC meeting has been characterized as a confrontational and ‘conflict’ approach, where the Lead Advisor in PT introduces issues and recommendations, and the CPM responds agreeing or arguing the raised issues. The TRC discussion has been inward looking and not always very sensitive to country-specific requirements. When recommendations are good often the CPM or the Director agree to the issues raised, but indicate that it is too late to address them due to limited budget availability or time as a consequence of an Executive Board submission date. Sometimes dealing with acknowledged issues is postponed to project implementation; difficult when IFAD does not supervise the project.

17. **The Operational Strategy and Policy Guidance Committee’s (OSC) procedures** 5 (1996) establish that the OSC provides strategy and policy guidance for the further processing of proposed projects and programmes. 6 Any project/programme submitted to the OSC must be cleared by the regional Director with the AP/PD, on the basis of the recommendations of the TRC. An OSC Issues Paper, prepared in the office of the AP/PMD, lists the issues on which OSC guidance is sought. Recently, the OSC secretariat has introduced a sharper focus by reviewing three elements.

   (a) firstly, **quality during design** which includes: coherence with COSOP; relevance and rationale; innovation and knowledge; partnerships, alignment and harmonisation; policy dialogue; sustainability and exit strategy and risks;

   (b) secondly, **implementation arrangements**; and

   (c) thirdly, **compliance with IFAD policies** which includes: Strategic Framework; corporate policies like Targeting, Rural Finance, Private Sector, SWAP, Gender; and the PBAS.

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3 These had been extensively reviewed by the Impact Achievement in the Project Cycle (IAPC) Working Group of 2000.
4 See PDMT agreement in AP/PD Office Memorandum of 8 March 2006 to all PMD staff on “Pipeline Management: strengthened forward planning and quality review”.
5 The OSC was established in 1996. For more details look at the OSC procedures: intranet/forums/committees/osc/procedures).
6 In addition to the OSC for projects design a Presidents –Bulletin dated 10 October 2007 (PB/2007/12) defined OSC procedures for policy processes.
18. The OSC is chaired by the President, and includes the Vice President, AP/PMD, CPM and Regional Director, Director EO, Director PT and Director FC, a lawyer from OL and regional directors of PMD.

19. Because the OSC is held within a short time period after the TRC, it often repeats the technical issues raised by the TRC. While the new format of the OSC issues paper has improved the focus, it is unusual for the OSC to identify new issues. It also does not provide a systematic quality check. The OSC always approves the project for appraisal, usually with a list of issues and concerns to be addressed during Appraisal. There is no subsequent independent check to determine if TRC and OSC issues are addressed following approval and prior to Board presentation. No IFAD projects are dropped due to quality problems following appraisal.

20. The PMD Management Team (PDMT) review of COSOPs was introduced several years ago, as an internal quality control mechanism to respond to criticism by the Executive Board on the quality of COSOPs and to consolidate a common PMD view for discussion and review of COSOPs at the OSC. Most recently, particular emphasis has been given to the clarity and realism of the COSOPs results framework. The PDMT review is attended by the same representatives from all PMD divisions and chaired by the AP/PMD that also attend the OSC, which usually goes through the same issues.

21. In conclusion. The above findings underline that the internal project review system (e.g. PDT, TRC and OSC) is inward-looking, provides advice that often comes too late and is easily ignored by the CPM because of a ‘let-go’ mentality driven by the pressure of meeting the lending target and Board date. The lack of explicit project quality standards to guide the TRC and OSC often results in a proliferation of technical issues that are not always important for the quality of design and, if they are important, can be ignored. In addition, the OSC follows so closely the TRC that the two together are duplicative and excessively time-consuming. The OSC for COSOPs, on the other hand, is a vital part of the strategic review by senior management of proposed IFAD country programmes. For the above reasons, IFAD has decided to reform its project design, quality enhancement and quality assurance systems, which includes expanding of the existing review process for COSOPs.

Section 3. Guiding principles for the reformed QE-QA framework

A. Guiding Principles

22. To meet the objective of a ‘strengthened quality enhancement during design’ of loan and Debt Sustainability Framework grants projects, measured by better project quality-at-entry ratings, a set of guiding principles are:

   a) IFAD will set clear and explicit quality standards (called Key Success Factors that experience has shown define successful projects) as an up-front guidance to all stakeholders;

   b) IFAD will expand its knowledge base for quality enhancement during internal review by engaging external partners in the review process, and increase CPM access to practitioners for added valued advice, in clinics and TRC panels;

   c) IFAD CPMs and Country Programme Management Teams (CPMT) respecting country ownership, will be accountable to deliver the maturity and quality of a project design;

   d) IFAD will provide more timely advice and decision-making at earlier stages of project design, e.g at the COSOP and project concept stages, and with a TRC earlier in the design process;

   e) IFAD will establish a final project quality check through a quality assurance function.
B. The proposed QE and QA framework

23. Important elements embedded in the internal review process include the following:

a) the quality criteria against which projects will be assessed. These include: i) a set of Key Success Factors (KSF) and their respective set of guidance questions; ii) a reference guide that provides guidance to all primary stakeholders on the critical quality dimensions of the KSF domains (for example, targeting, institutional analysis and sustainability).

b) the quality ‘checks and balances’ composed of four parts: i) an initial review of project concept by the OSC, as part of the COSOP review, or review of a project initiating memorandum, if the project was not already identified in a COSOP; ii) a self-assessment of the maturity of design quality, to be done by the CPM and the regional Director, using the Maturity Assessment Template (MAT) to be submitted to a review by the TRC; iii) the management review and decision-making mechanism, centred on the new TRC; and iv) an arms’ length quality assurance-function in the Vice President’s office, which will replace the OSC meeting previously done for all projects just before appraisal.

c) A new quality design process, is being developed which is rooted in and supported by: firstly a broader external knowledge base (e.g. thematic groups, country expertise, and expertise from outside IFAD)-this knowledge base will offer more effective and timely assistance to project designers, e.g the Country Programme Management Team (CPMT) to replace the PDT and to be more country-based; secondly as part of the new project design process ‘clinics’ will be introduced as a new learning mechanism in-country and at IFAD HQ. A corresponding roster of expertise will be developed to support the quality enhancement process, participating in missions, clinics, CPMT, and TRC; thirdly a Project Design Report (PDR), focussed on the essential-design for implementation. The project design guidelines are under development and will be released by the beginning of 2008.

24. Systematic learning and sharing is essential for IFAD to be able to continuously improve and enhance the quality of its country programmes, projects and grants. The pilot testing of the new process held in March and May 2007 showed that a built-in after-action-review allowed for immediate feedback on the adequacy of the KSFs, which lead to their subsequent revision and adjustment. It is therefore necessary that formal learning loops are built into the various “Quality-levels” to keep the QE framework ‘up-to-date’, and to ensure that lessons learned are shared and available to all stakeholders of the QE be they in IFAD Headquarters or in-country, e.g. borrowers, members of CPMT, IFAD management, CPMs or Executive Board members.

Section 4. The quality criteria

A. The Key Success Factors

25. The Key Success Factors (KSFs) provide the guiding principle of ’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.

26. The KSFs for project design are based on lessons of experience, and internal and external views7. The present version of the KSFs for formulation and post-appraisal (see Part III, Annex 1) has gone through various revisions. Some 17 TRCs held during the two TRC weeks,8 and stand-alone

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7 The initial set of KSFs were derived from ARRI 2005 and PMD Portfolio Review 2005-6 and inspired by the guidance questionnaire for the World Bank’s QAG for Quality-at entry.
8 Two TRC weeks took place on 26-30 March and on 28 May-1 June 2007.
TRCs in the period mid-March to mid-June 2007, constituted the learning-laboratory for KSF development. There are six KSF domains:

1) country relevance, commitment and partnership;
2) poverty, social capital, targeting;
3) alignment of design features with IFAD’s strategic objectives, rural development policy, analysis, lessons learnt and results framework;
4) implementation arrangements and institutional aspects;
5) risks and sustainability;
6) innovation features, learning and knowledge management.

27. The KSFs provide three essential elements that underpin the delivery of the Strategic Framework.

- A generally accepted definition of ‘quality’, as this term relates to IFAD’s financing operations, and consensus on the factors which can contribute to enhanced quality (e.g. country ownership, sustainability, implementation arrangements).
- An agreed framework, that designers and programme managers can use to focus their efforts through successive stages in the design, implementation and completion of the maturing financing operation.
- A basis on which IFAD’s Executive Board can be assured by senior management that financing operations are aligned with the IFAD Strategic Framework, policies and its overall mandate for poverty reduction, because each operation presented is satisfactory according to accepted quality standards.

28. The KSFs will be updated annually based on the feedback obtained from stakeholders (CPMs, directors, TRC panel members and internal/external reviewers) and analysis by PT of major quality issues raised at TRC, and on recommendations for improvement presented in the Annual Portfolio Review Report, prepared by PMD and from recommendations presented by the Vice-President in the Annual Quality Assurance Note.

B. The reference guide

29. A reference guide is being developed, that brings together the mandatory policy frameworks and guides staff on to delivery of quality. For each quality aspect of the six KSF domains, a 2-page note is being prepared that includes essential guidance (e.g. IFAD corporate policies), reference to case studies and best practices, and a list of relevant trigger-words linked to available internal or external source documentation. A first version will then be made available on-line in 2008. The reference guide will have to be updated continuously, based on new learning and best practices, and to adapt to IFAD’s changing policies and guidelines.

9 The six strategic objectives of the SF are reflected in KSF domain 3. The six principles of engagement that will guide future operations and hence elaboration in country of the six strategic or thematic objectives, are covered in the KSFs as follows: Selectivity and Focus, relate to KSF Domain 3; Targeting and Empowerment, relate to KSF Domain 2; Innovation and Learning, relate to KSF Domain 6; Sustainability of Development, relate to KSF Domain 5; Effective Partnerships with National and International Stakeholders relate to KSF Domain 1 and 4.
Section 5. Quality checks and balances

30. The checks and balances refer to a “self assessment by CPM”; “more timely advice and decision-making”; and a “clearly defined accountability framework”.

A. Self-assessment by CPM and the Maturity Assessment Template

31. The Maturity Assessment Template (MAT) is a self-assessment tool, centred on the six KSF domains and the respective guidance questions. The MAT is to be used by a CPM:

- **During project design** as a pre-requisite for submission to the TRC
- **at completion of project design** as a pre-requisite for submission to the QA

32. The MAT responds to three specific needs:

- to guide a design team to the critical tasks to be undertaken during the design process, to achieve the right quality for implementation;
- to allow a CPM to assess progress towards achieving maturity of design quality, identifying gaps and design issues on which advice is sought; and
- to clearly put the accountability for delivering quality with a CPM, the CPMT and the IFAD regional director through a process of review and discussion and sign off.

33. *The MAT during design* is prepared by the CPM prior to the TRC review of a Project Design Report (PDR). It is composed of two sections: Section A is an initial summary page with three areas for substantive feedback by the CPM on: a) relevant context and country issues; b) open design issues flagged by the CPM; and c) incomplete areas which will be dealt with at the next design stage. Section B contains a template with the six KSF domains and their respective guidance questions for ranking the maturity of the project design. The ranking will be done on a six-point scale from highly unsatisfactory (1) to highly satisfactory (6). The CPM initiates the process of self-assessment and may involve the CPMT, Mission leader, divisional colleagues or external experts. A completed MAT will be submitted by the CPM to the regional Director for review and discussion and joint sign-off and is subsequently submitted with the PDR to the TRC.

34. The pilot test of the new TRC process in March and May proved that the MAT gave the CPM the opportunity to highlight country-relevant issues that need to be taken into account when reviewing the project design document; allowed the CPM to highlight to reviewers and TRC panel members what are open design issues for which feedback and advice is sought; and finally highlighted those areas considered still immature, and how and when they will be dealt with during the next design stages. It has allowed the TRCs to be much more focused, to have an open and frank discussion on design issues, and to give concrete suggestions on how to address these.

35. *The MAT at completion of design*. In order to ensure a clear link between the TRC report and the finalisation by a CPM of the design, an updated MAT will be completed by a CPM and submitted to the regional director for sign off. This approach emphasizes accountability of the Director and the CPM towards the quality assurance function and to respond to the recommendations of the TRC. This new procedure has been introduced with an Office Memorandum of the AP/PMD dated 22 June 2007. This MAT will be submitted to the final project quality check of the project design: Quality Assurance.
36. 
Section A of the MAT of a completed project design serves to provide summary feedback on: a) how recommendations from TRC and OSC\textsuperscript{10} have been addressed; b) what are the risks or issues to be addressed during loan negotiations; and c) what strengths and weaknesses of the design underpin the overall ranking. Section B contains the template with the six KSF domains and their respective guidance questions for ranking the maturity of the project design. The CPM will review the MAT previously submitted to the TRC and should provide a succinct comment on how and what has been modified as a result of further project design work, and provide a final ranking of maturity of the design Only those questions that were self-assessed to be less than moderately satisfactory and/or those raised by TRC need to be addressed.

37. 
Approach to ranking. The MAT includes an explanation on how to go about the ranking. A project’s quality according to each KSF is ranked from 1 (poor) to 6 (excellent). The ranking is not a reflection of performance by a CPM or Director but should provide a measurement of project maturity on each KSF. This should assist the CPM to identify design issues or country relevant context issues that may have an impact on the maturity of the design. Only those issues and guidance questions should be ranked that are judged by the CPM to be relevant.

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B. The new approach to the TRC
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38. 
The new approach to the TRC responds to the following three guiding principles: “expand the knowledge base for QE by engaging external partners”; “drive QE by those best placed to deliver the maturity and quality of a project design”; and “cater for more timely advice at the earlier stages of design”.

39. 
The purpose of the TRC as management review mechanism is: to generate a focussed discussion of critical design issues and country relevant context issues; to provide value adding advice and concrete suggestions for improvement for next design stages; and to rank maturity and readiness for implementation of project design.

40. 
This new approach for the TRC is based on the following seven key features:

a) An increased role for the CPM, through the MAT, to identify design issues on which advice by internal and external reviewers is sought.

b) A mix of internal and external reviewers. Each TRC will be supported by a review coordinated by a PT-appointed Lead Advisor. The internal review is centred on the six KSF domains, to provide advice and concrete suggestions for improvement of the project design, in particular on design issues identified by the CPM in the MAT, but also on core design issues identified by the Lead Advisor. Complementary to the internal reviewers, TRC will engage qualified external reviewers (e.g. from FAO/Investment Centre, IFPRI, CGAP, etc.) for an appropriate review of critical technical aspects of project design and/or issues flagged by the CPM in the MAT. The Lead Advisor of PT will elaborate a Reviewer’s Recommendation Note (RRN) that integrates the internal and external reviewer’s comments and advice.

c) TRC panel composition. The TRC panel is composed ideally of four members: two from IFAD and two from external sources. Panel members are selected based on the relevance and maturity of their expertise (country, thematic or specialized technical aspects) and other skills such as: language, communication, cultural knowledge. Where TRCs remain stand-alone, as opposed to grouping with other projects to be reviewed in a TRC week, external participation will be reduced. A panel chair can be chosen from IFAD Senior Management or middle managers in FAD, EAD or PMD. It is envisaged that the President occasionally will Chair a TRC Panel.

\textsuperscript{10} An OSC meeting will have been held much earlier in the process, when the project was first introduced in a COSOP, or through an inception memo.
d) **The definition of the TRC agenda.** The Reviewers’ Recommendation Note (RRN) constitutes an input for the TRC panel to identify the major issues to include in the TRC agenda for discussion with CPM/Director. The chair of the TRC panel will discuss and agree with the panel members which key issues they wish to discuss with a CPM/team. Each TRC panel will meet subsequently with the CPM to seek additional clarity, after which the TRC agenda is finalised.

e) **The TRC panel meeting.** The nature and purpose of the TRC panel discussion is to clarify any KSF-related aspects and to discuss concrete suggestions for project design improvement. The RRN should be used to provide background on relevant TRC agenda items. Each TRC starts with the CPM providing a short introduction on the project design, highlighting context and country-relevant issues. The TRC panel chair will summarise the discussion and highlight advice or concrete suggestions discussed that will be included in the TRC report. The TRC panel is expected to take between 2-3 hours.

f) **The TRC report.** Immediately after the TRC, the panel will meet to discuss and agree on the following aspects that will be reflected in the TRC report: overall assessment of maturity of project design; advice for areas needing improvement; bringing assessment and advice together by ranking the design maturity against the six KFS domains. The format of the TRC report is shown in Part III, Annex 4, and is structured around the six KSFs. The TRC report will be finalised and cleared by all panel members. It will be submitted by the TRC panel Chair to the CPM and Director for their review and feedback. The panel report includes a specific section for CPM/Director to provide feedback on the recommendations and advice made by the TRC as reflected in the report.

g) **TRC week and stand alone TRC.** The new approach to TRC includes the modality of TRC week(s). This approach, tested in March and May, is built around the need for an efficient involvement of external expertise, and a review process that enhances sharing and learning on project design issues. This necessitates better PMD/Division pipeline planning to allow for 3 to 4 TRCs at each TRC week. Six TRC weeks are intended to be held per year, during the months of March, April, May, June, September, and October. They should cater for 75% of the TRCs required in a year. The remaining 25% will be dealt with by stand-alone TRCs. While there is no difference in the approach or outputs, the external involvement for stand-alone TRCs will be greatly reduced.

41. **For co-financed projects not initiated by IFAD,** the documentation provided by the lead financier (e.g. for the World Bank/IDA, the Project Appraisal Document) will be the primary design document submitted to a TRC. In addition a MAT will have to be prepared including executive summary. The main focus of the TRC will be compliance with IFAD policies and compatibility with IFAD mandate of rural poverty alleviation and whether the proposed project adequately defines IFAD’s role and value-added to the proposals.

42. **If the TRC recommendations are favourable,** then IFAD will be able to advise the lead financier of its agreement to provide the proposed level of support. Conversely, if the TRC identified serious weaknesses or non-compliance with IFAD requirements, these will form the basis for on-going negotiation with the lead financier. If the negotiations are substantially successful, then processing within IFAD can proceed.

C. **The OSC: Focus on strategic guidance and country strategy**

43. **The QE management review process** includes two distinct types of OSCs, for COSOP, and for projects concepts not included in the COSOP. It drops the OSC which reviews project design just before appraisal. The relevant guiding principle for this is “timely advice and decision-making at

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11 A third type of OSC exists for policies, please read the Presidents Bulletin (PB/2007/12) on Policy Processes.
earlier stages of design”. The objective is to get senior management advice on project strategy and design as early as possible in the design process.

**OSC review of a RB-COSOP**. Results–based COSOP document will include two-page briefs for each project proposal for the IFAD pipeline. The review by OSC will focus on critical strategic aspects such as: alignment with country national poverty strategies and country ownership, major policy and institutional constraints that are relevant for the rural poor, poverty focus, gender and social development aspects, clarity and realism of development objectives and the COSOP results framework, and the risks related to country programme pipeline development and implementation. The OSC review of a COSOP will include the decision for access to PDDFF-A for development of each pipeline proposal presented in the COSOP. In **those countries that will have an RB-COSOP**, this will replace the existing procedure of preparing an inception memo for approval by the President. For **those countries that do not require a COSOP, or for projects not identified in the COSOP, the CPM will prepare a project concept note for review and approval by the OSC.**

44. **Loan amount and country lending terms.** Immediately after the TRC a request for approval of the loan amount is to be sent through a memo from CPM and Director to the AP-PD, who in consultation with PD front office will provide written approval of the loan amount. With respect to country lending terms the existing procedure has not been changed. A request for changes to country lending terms will have to be approved by the Executive Board. The process will be initiated with a memo from CPM and Director through the AP-PD to the President. It needs to include the clearances from OL and FC.

45. **OSC for projects at formulation is cancelled.** There will be no OSC meetings on projects other than as specified above. The decision authority for go ahead with appraisal will be left to AP/PMD and the regional Director.

**D. The Quality assurance function**

46. **An arms’ length quality assurance function** will be established as a final quality check and will take place for each loan or grant project after appraisal, just before loan negotiations. It will be managed and chaired by the Vice President on behalf of the President. The President can participate as a chair or member in the QA review meetings. The development of the QA process and guidelines will be centred on the six KSF domains. Its primary goal is to assess, if the COSOP or the project design meets the required design maturity and quality-at-entry in order to be submitted to the Executive Board. For further details on the Quality assurance please refer to the QA guidelines.

**Section 6. Q-Documentation and Q-design process**

*A. Project design documentation and design process*

47. It is advisable to read the new guidelines for Design processes and the Project Design Report (PDR). The main focus of these guidelines is on how to integrate the KSF in the format of the new PDR and how to have one single document that will evolve through the various design steps. Combining the proposed KSF with streamlined and simplified design documentation will result in

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12 Please read the Guidelines for OSC review of RB_COSOP (dated 2008) and consult the Guidelines for elaborating an RB-COSOP document (dated December 2006).

14 In particular situations such as a political crisis, natural disasters or other significantly changing circumstances the approved RB-COSOP will need to be resubmitted to OSC for reconsideration and review in particular for the adequacy of project concepts in light of the special situations that have occurred.
increased complementarities between the project development stages, e.g. COSOP, project design and increased added-value at each of the quality enhancement opportunities.

48. These guidelines will also reflect the design process, in particular the opportunities to enhance quality including stakeholder workshops held in-country, involvement of the CPMT, design missions, and learning opportunities within IFAD. In addition to the reviews described above, opportunities for the CPM to obtain expert advice will be expanded. For example the clinic is an optional tool for CPMs to bring together internal and external expertise to provide upstream thematic advice on key design issues identified by the CPM/CPMT. Based on the identified (thematic) issues for the clinic to focus on, PT will be tasked by the CPM to search for the internal or external expertise and may facilitate the clinic. A clinic may be held in-country or at IFAD Headquarters. PT, in collaboration with Regional Divisions, is well placed to facilitate the necessary linkages to knowledge networks and to undertake the management of the clinics.

B. Co-Financing projects design not initiated by IFAD

49. Where IFAD is co-financing a project initiated by another development agency, especially with another IFI (World Bank/IDA or a Regional Development Bank), the PDR will reflect and contribute to, but not drive, the design process. For the CPMT the main focus will be on the integration of IFAD’s specificity in the project design and compliance with IFAD policies and institutional priorities.

50. The documentation provided by the lead financier (e.g. for the World Bank/IDA, the Project Appraisal Document at Pre-Appraisal plus supporting documents in the project file) will be the primary design document. However, in order to have a procedure which ensures that such a project is compliant with IFAD objectives and modalities, the CPMT will participate actively in the design process.
Schematic overview Internal Review Process QE-QA

Country with RB-COSOP

RB-COSOP

OSC

Project Concept

Project design

TRC

MAT

TRC Report

QA Decision Note

EB

Loan Negotiations

Implementation

Country without RB-COSOP

Project Concepts

OSC

Project concept

Project design

TRC

MAT

TRC Report

QA Decision Note

EB

Loan Negotiations

Implementation
**PART II**

**THE QUALITY ENHANCEMENT GUIDELINES**

**STEP-BY-STEP GUIDE**

What follows is a step-by-step explanation of what is to be done by whom and when and what is the expected output of that step. This is intended to provide operational clarity to the above features.

**A. Project design: Pipeline development through to Quality Assurance**

<table>
<thead>
<tr>
<th>Descriptor and output</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Development Charts</strong> Six to seven TRC weeks will be held during the months of February, March, April, May, June, September and October. PT will announce in December and June the scheduled TRC weeks. A CPM will sign-up for one of these TRC weeks or alternatively for a stand-alone TRC. This new practice requires a more rigorous forward planning of the critical milestones of the design process from concept stage through to appraisal and EB submission. The existing supporting tool available is the Project Development Chart. The PDC should be used at divisional level to complete the pipeline development tables for periodic PDMT review.</td>
<td>PT secretariat</td>
</tr>
<tr>
<td></td>
<td>CPM/PA-PT secretariat</td>
</tr>
<tr>
<td></td>
<td>CPM/Director</td>
</tr>
<tr>
<td><strong>Country Programme Management Team (CPMT)</strong></td>
<td>CPM/Director</td>
</tr>
<tr>
<td>A CPMT will be established by a CPM and its composition is to be approved by the Regional Director. Its composition is flexible and dependent on country context. It will include members that are based in-country and at IFAD headquarters. Its purpose is to accompany all the steps and milestones of the design process and through the implementation and completion of a project.</td>
<td></td>
</tr>
<tr>
<td><strong>Project design work in country</strong></td>
<td></td>
</tr>
<tr>
<td>The new guidelines on design provide guidance on the design process and the outline and requirements of the Project Design Report. The Key Success Factors as presented in Annex II provide guidance and focus for assessing the maturity of project design.</td>
<td></td>
</tr>
</tbody>
</table>
**Documentation for TRC.** A website will be up and running for each country and project design, where the relevant documents are available online. It will be accessible for internal and external actors involved in the TRC.

CPM and Programme Assistant provide relevant country and project design documentation in electronic form. These should include: RB-COSOP, OSC minutes, aide memoirs; specific studies; relevant project or country evaluation, etc.

The draft project design report should be provided in electronic format at least 15 working days before the TRC week or stand-alone TRC. Delay or incomplete submission of the PDR may lead to withdrawal from the TRC week by PT.

**TRC panel composition and reviewers.** A TRC panel will be composed of a moderator and three panel members. Panel members and external reviewers will be selected from internal (e.g. AP/PMD and PDMT, PT, FCL, FS, EO, etc.) and from external sources (e.g. World Bank, FAO, CIRAD, WFP, free lance consultants, etc.).

A roster of experts will be set-up by PT and maintained to facilitate identification and selection of reviewers and panel members.

**MAT self assessment.** A CPM, in collaboration with the CPMT (e.g. mission leader, peers, etc.) will assess the maturity of the project design based on the KSF domains and guidance questions. The focus is on identifying areas of work still to be done and issues on which advice or technical feedback is sought by the CPM at the TRC. In addition, the CPM will provide his/her judgement by ranking the maturity for each of the six KSF areas. The self-assessment can be done in-country or at headquarters.

*The template MAT is included in part III, Annex 2.*

**MAT sign off.** The completed MAT will be discussed by the CPM with the Director, who provides feedback and signs off the MAT with the CPM. The signed off MAT will be submitted together with the Project Design Report at least 15 working days before the TRC week.

**Reviewer Recommendation Note.** Internal review will be coordinated by a designated PT Lead Advisor. The Lead Advisor will prepare a Reviewers Recommendation Note.

External reviewers will have been assigned by the Lead Advisor for each project design to address thematic topics or specific technical design aspects. The Reviewers Recommendation Note is a critical input to the TRC panel.

*A sample format to be used for Reviewers recommendation note is in Part III, Annex 3.*
**TRC Agenda.** The chair of each TRC panel will hold a preparatory meeting to discuss and agree with the panel members the topics to be addressed at TRC. These will include matters to be clarified, issues identified by the CPM/Director for advice, and subject matter advice from reviewers notes. An informal meeting between the panel and CPM will be held to discuss or clarify issues proposed as TRC agenda topics.

**The chair will send the final TRC agenda to the CPM/Director and all other participants 1 day ahead of the TRC.**

**TRC Panel.** The main purpose of the TRC panel is to ensure that project proposal under review is provided with added value advice and constructive suggestions for improvements. A TRC panel is composed of 4 members. A TRC will have duration of about 2-3 hours.

**TRC report.** The panel will prepare a TRC report immediately after the TRC. The panel will discuss feedback and agree on the comments and advice addressed at the TRC. The panel members will provide an overall ranking of the quality of the project design. Each panel member will provide a write-up on assigned issues as agreed with Panel Chair. The panel chair will finalize the write up and share the report with the CPM and the Director for their feedback. CPM/Director (dis) agreements with panel advice will be reflected in the report.

**The format of the TRC report is included in Part III, Annex 4**

**Loan Amount and Lending terms**

The loan amount and country lending terms will be proposed by the CPM and Director for clearance by the AP/PMD in consultation with PD front office. If one requests a change in lending terms and conditions this will have to be with a memo from CPM /Director through AP/PMD to the President asking his agreement for a recommendation to the Executive Board.

**Complete Project design work in country**

The design process will be completed to respond to the recommendations and decisions reflected in the TRC report and to conclude agreements with Government, co-financiers and other stakeholders. These will be reflected often in an Aide memoir and in the final and completed Project Design Report that will form the basis for the Loan agreement and loan negotiations.

**MAT-Completed design**

The CPM will have to prepare a compliance note based on the completed Project Design Report as a prerequisite for submission to the Quality Assurance review. The compliance note Section A covers the following 3 elements:

- Indicate how recommendations and advice given in the TRC report have been considered and reflected in the appraisal report.
- Specific risks for implementation or open issues to be resolved at loan negotiations (prior to EB).
- A short paragraph indicating the strengths and relative weaknesses underlying the overall ranking of the maturity of design.

Secondly, the compliance note would have a Section B which includes the TRC MAT. The CPM should review those KSF domains and guidance questions that were rated 4 or below by the TRC, and
provide comments on what was done, that made the KSF ranking change.

The elaboration of this MAT may involve CPMT members including divisional colleagues, peers and others.

This new procedure replaces the sign-off function previously ascribed to the PDT.

*The compliance note/MAT is included in Part III, Annex 2*

<table>
<thead>
<tr>
<th>MAT SIGN OFF</th>
<th>CPM/Director/AP-PMD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The completed MAT will be reviewed by the CPM with the Director after which both sign off, and then is cleared by AP/PMD.</td>
<td></td>
</tr>
<tr>
<td>The MAT has to be submitted at least 15 working days prior to the QA review to the Vice President’s office.</td>
<td></td>
</tr>
</tbody>
</table>

*The QA.*

See the Guidelines on Quality Assurance.
PART III

ANNEXES

Annex 1  Key Success Factors
Annex 2  Templates for TRC MAT and compliance note-MAT
Annex 3  Template for a Reviewers Recommendation note
Annex 4  Template for TRC report
ANNEX 1. **KEY SUCCES FACTORS**

**KEY SUCCESS FACTORS AND ALIGNMENT WITH IFAD’S STRATEGIC FRAMEWORK, 2007-2010**

**Background**

IFAD’s Strategic Framework for 2007 – 2010 takes stock of ongoing changes in the form and distribution of rural poverty, consultations with the Governing Council, the findings of the 2005 Independent External Evaluation, and IFAD’s subsequent Action Plan to improve development effectiveness. In response, the Strategic Framework sets out new principles that the Fund will follow to adjust and improve the relevance, quality and impact of its future financing for the reduction of rural poverty.

The Strategic Framework rests on six Principles of Engagement that will guide future operations and six strategic or thematic objectives that will form the pillars of loan and grant financing.

**Principles of Engagement**

- Selectivity and focus of operations
- Targeting of the poor and disadvantaged
- Empowerment of poor rural people
- Innovation, learning and scaling up
- Effective partnership with national and international stakeholders
- Sustainability of development

**Strategic Objectives**

- Efficient and sustainable management of natural resources and the environment
- Introduction of improved agricultural technology and support services
- Development of rural financial services
- Promotion of transparent and competitive input and output markets
- Creation of profitable opportunities for off-farm employment and rural enterprises
- Local and national participation in policy dialogue and programming processes

**Key Success Factors**

To deliver against these general principles and overall aspirations, Chapter V of the Strategic Framework commits IFAD to streamline the organisation and management of its financing operations during 2007 – 2010. In the context of these changes the adoption of Key Success Factors (KSFs) is now proposed. KSFs aim to provide IFAD, and especially its programme management, with the operational tools needed to transform the principles of the Strategic Framework into specific financing proposals of assured quality, with optimum chances for successful implementation and development impact.

Many sources have been tapped, lessons of experience reviewed and internal and external views sought to arrive at a list of key factors that, by general agreement, are considered crucial to the smooth implementation and successful outcomes of IFAD loan and grant operations. These Key Success Factors have been assembled to provide an organised framework of quality guidance and to serve as points of reference to enhance the quality of future financing operations. The KSFs thus provide three essential elements to underpin delivery of the Strategic Framework.

- A generally accepted and applied definition of ‘quality’, as this term relates to IFAD’s financing operations, and consensus on the factors which can contribute to enhanced quality.
• An agreed framework that designers and programme managers can use to focus their operational efforts in the field, so as to optimise the impact of their resources in achieving quality.

• A basis on which IFAD’s Executive Board can be assured by Senior Management that financing operations and completed operations are fully aligned with the IFAD Strategic Framework, policies and its overall mandate for poverty reduction.

• In practice, the critical issues addressed by KSFs evolve through successive stages in the design, implementation and completion of a financing operation. Hence the set of KSFs will differ for each stage of the project cycle.

The MAT presents the KSFs in a template as a set of questions on the degree of readiness of the design for implementation. The format provides for three needs.

• As the design process advances, to guide design teams towards the critical tasks and work programmes needed to achieve full readiness for implementation;

• To allow the design team to rate their own progress towards full readiness, identify gaps and matters on which they need additional support, and communicate these points succinctly to others;

• To allow the managers to whom the design team reports, outside reviewers and resource persons to independently assess progress, identify additional design gaps, suggest improvements, and eventually assure IFAD Senior Management that quality of the finished design is acceptable.

The rating system attached to the template allows the degree of readiness for implementation to be scored. Scores should be based on the design documents so far generated by the design team.

**Key Success Factors and IFAD’s Strategic Framework**

The Strategic or Thematic Objectives of IFAD’s Strategic Framework that will form the pillars of loan and grant financing are covered in KSF Domain 3.

Regarding the six Principles of Engagement that will guide future operations and hence elaboration in country of the six strategic or thematic objectives, these are covered in the KSFs as follows – the six principles are listed as in the Background section above (same order as in IFAD’s Strategic Framework): Selectivity and Focus, relate to KSF Domain 3; Targeting and Empowerment, relate to KSF Domain 2; Innovation and Learning, relate to KSF Domain 6; Sustainability of Development, relate to KSF Domain 5; Effective Partnerships with National and International Stakeholders relate to KSF Domain 1.
ANNEX 2. MATURITY ASSESSMENT TEMPLATE (MAT)

Management Assessment Template (MAT)

For submission to TRC/ QA
(Delete ‘TRC’ or ‘QA’ as appropriate)

Assessment sign off by:  CPM__________________________
                        Director_______________________
                        Division _____________

Project Name: _________________________________________
Country: ______________________________________________
TRC Date: _________
QA Date: _________

Overall Ranking (1-6): _______

July 2007
Explanation of rating scale  To be used for overall ranking of program/project design maturity

Users of the template should apply their knowledge, judgement and professional skills in rating the sub-headings in each KSF Domain and making overall Domain scores. At early stages of design or where detailed features are to be decided only during implementation, where a sub-head or whole KSF Domain may therefore not (yet) have been a priority for attention of the design team, comments such as' not applicable' (n/a) or 'not yet' (n/y) should be used instead of scores. The relative importance of the six KSF domains are not of equal weight and thus the overall ranking is not a simple average of the individual rankings of each KSF domain. The project and country context influence the relative importance of these dimensions.

1 = Highly Unsatisfactory: A broad pattern of serious deficiencies or unrealism make achievement of the stated Development Objectives unlikely, or pose serious issues of non-compliance with IFAD policies and procedures. Risks far outweigh potential rewards. A major re-design is needed if to proceed at all. Go back to the drawing board or drop the proposal: Put on a ‘reserve list’ if justified.

2 = Unsatisfactory: Significant deficiencies in several key areas, need corrections which are likely to be difficult or time-consuming to resolve. Delay further processing until real progress is made (e.g. additional design work in-country).

3 = Moderately Unsatisfactory: Significant deficiencies in one or two key areas, which affect responsiveness to the client’s needs, and/or may affect prospects of reaching stated Development Objectives, or compliance with IFAD policies and procedures – the risks do not at present appear commensurate with potential rewards. Needs review and/or remedy during follow-up.

4 = Moderately Satisfactory: Satisfactory on all key areas, but some deficiencies and missed opportunities to respond effectively to the client’s needs: additional work is needed to increase prospects of reaching stated Development Objectives, or to comply more fully with IFAD policies and procedures. The risks are by and large commensurate with rewards but may need some review and/or remedial work during follow-up design, as a prelude to implementation.

5 = Satisfactory: Satisfactory or better on all key areas – an effective response to the client’s needs and likely to meet the stated Development Objectives. In addition, the operation complies with IFAD policies and procedures, and involves risks commensurate with rewards. Unlikely to raise new, unexpected issues during further design or meet serious implementation problems.

6 = Highly Satisfactory: An exemplary project design demonstrating good practice in several areas, that responds very well to the client’s needs and has a high probability of meeting the stated Development Objectives. In addition, the operation complies in all respects with IFAD policies and procedures, and involves risks commensurate with rewards. Comprehensively clears the way for trouble-free implementation.
For Project Design review by TRC

Section A.1: Please provide below any information that you consider relevant for the TRC panel:

1. Relevant context and country issues

2. Open design issues for TRC consideration (for each of the items, please clearly refer to the relevant KSF domain and if necessary the specific guidance question(s))

3. Incomplete design areas in which next stage(s) will deal with (Please specify when are next stages planned)
For project design review by QA

Section A.2: Please provide below any information that you consider useful for QA review:

1. Indicate how recommendations and advice given in the TRC Report and minutes of the OSC for COSOP have been considered and reflected in the Project Design Report

2. Specific risks for implementation or open issues to be resolved at loan negotiation (prior to EB)

3. A short paragraph indicating the strengths and relative weaknesses underlying the overall ranking of the maturity of design
### Section B. Key success factor domains

Provide if needed comments, identify incomplete/weak areas and if applicable when addressed at next stage

<table>
<thead>
<tr>
<th>1. Country relevance, commitment and partnerships</th>
<th>Overall ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1 Are project objectives consistent with country and sector strategies? Are financing proposals fully relevant to national development plans, PRSPs and sectoral priorities?</strong></td>
<td>Comments:</td>
</tr>
<tr>
<td><strong>1.2 To what extent has Government been actively involved in project design steps? Has cooperation with key potential implementation staff been maximized?</strong></td>
<td>Comments:</td>
</tr>
<tr>
<td><strong>1.3 How have any residual design issues from earlier design steps been resolved, negotiated with the government or avoided through design adjustments?</strong></td>
<td>Comments:</td>
</tr>
<tr>
<td><strong>1.4 To what extent have the Government’s development partners been actively consulted? Have potentials for partnerships (including co-financing agreements and pro-poor development) with other international lenders and donors have been fully explored and, where appropriate, agreed?</strong></td>
<td>Comments:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Poverty, Social Development and Targeting</th>
<th>Overall ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.1 How adequate and successful have Target Group analysis and targeting strategy been in:</strong></td>
<td>Comments:</td>
</tr>
<tr>
<td>(a) Using stakeholder analysis and consultation to understand the livelihoods of potential target groups, analyse their asset bases and the development opportunities open to them?</td>
<td>Comments:</td>
</tr>
<tr>
<td>(b) Determining the demands and/or needs of potential Target Group/s?</td>
<td>Comments:</td>
</tr>
<tr>
<td>(c) Assessing the extent to which the targeting strategy, criteria and mechanisms (including support measures to build empowerment of individuals – men and women alike – and their rural institutions) are operationally, socially, economically and legally feasible?</td>
<td>Comments:</td>
</tr>
<tr>
<td>(d) Securing government acceptance of potential targeting and empowerment mechanisms?</td>
<td>Comments:</td>
</tr>
<tr>
<td>Comments:</td>
<td>Overall ranking</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>2.2</strong> Were efforts to identify poverty characteristics and locations comprehensive, especially concerning women, youth and other disadvantaged people?</td>
<td></td>
</tr>
<tr>
<td><strong>2.3</strong> Were gender issues given enough attention? (Refer to PMD Checklists, including outreach and empowerment)</td>
<td></td>
</tr>
<tr>
<td><strong>3. Alignment of design features with IFAD Strategic Objectives and lessons learnt; analysis and results framework</strong></td>
<td></td>
</tr>
<tr>
<td><strong>3.1</strong> Is the design consistent with the best practice approaches embodied in the pillars of IFAD’s Strategic Framework, concerning:</td>
<td></td>
</tr>
<tr>
<td>(a) Management of natural resources and the environment?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(b) Introduction of improved agricultural technology and production support services?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(c) Development of rural financial services?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(d) Promotion of transparent and competitive input and output markets, with focus on improving farm-gate prices?</td>
<td></td>
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<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(e) Creation of profitable opportunities for off-farm employment and enterprises?</td>
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<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(f) Seeking opportunities for policy dialogue with the government on issues related to reduction of rural poverty, gender, empowerment or community-based development? What plans have been made to follow up such opportunities?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td><strong>3.2</strong> Does the design adequately reflect lessons learnt from relevant, past rural development programmes and operations by IFAD and/or others? Are the implementation demands of the design fully consistent with limitations imposed by country conditions and/or national capacity?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td><strong>3.3</strong> Is analytical work realistic and sufficiently comprehensive? Specifically</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td>Overall ranking</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>(a) Are the technical approaches and strategy on which development proposals are based shown to be realistic and technically viable?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(b) Is the choice of the selected environmental category adequately justified?</td>
<td></td>
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<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(c) Are cost estimates based on explicit norms that define quantity requirements, and focused solely on the funding needed to implement the project in the most cost effective way? Are allocations for start-up finance, counterpart funding and co-financing with other donors quantified?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(d) Does financial analysis simulate the real labour, resource, market and financing constraints, also the attitudes to risk, of members of the target group? Are assumptions on the resources they would commit to change plausible? Are incremental returns sufficient and reliable enough to attract them to commit these resources?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(e) Does economic analysis estimate the contributions – quantifiable or non-quantifiable – of IFAD funding to the reduction of rural poverty and the achievement of national development priorities? Does it capture significant market distortions and non-traded outputs? Does sensitivity analysis simulate real risks as identified in the log frame?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>(f) Does the proposed phasing incorporate sufficient lead time and allowance for slippages, considering the capability of the intended project management, support services and beneficiaries?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>3.4 Is the overall quality of the log frame adequate, including its coverage of financing arrangements, risks and exit strategy? Are the outcome/impact and input/output indicators appropriate to the design?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>4. Implementation arrangements and institutional aspects</td>
<td>Overall ranking</td>
</tr>
<tr>
<td>4.1 What are the prospects for recruiting key implementation staff locally? Will external recruitment or TA be necessary to fill gaps? Have the financial and human resources needed for implementation been included in the government budget?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
</tbody>
</table>
4.2 Are the roles of the intended implementing agencies appropriate considering institutional mindsets and past performance? If not, what steps are proposed to sensitise them to pro-poor needs and overcome weaknesses? Are their capacities for project execution adequate? Specifically:

(a) In determining the lead agency for implementation, were agencies other than the one originally selected considered? What are the weak points of the chosen lead agency, relevant to its proposed role under the project? Which of its capabilities will the project sustainably improve?

Comments:

(b) Are the intended roles for public, private and voluntary sectors and CBOs in implementation understood, and accepted by all?

Comments:

(c) Do the proposed implementing agencies and service providers have adequate capacity for their intended activities? Are there sufficient incentives for project participation to secure their commitment and motivation? Will operational conditions and the management framework secure their participation in practice?

Comments:

(d) Will proposals for institutional strengthening address real gaps in capacities in the most appropriate and cost effective manner?

Comments:

(e) Have workable arrangements for accounting, reporting and audit been agreed?

Comments:

4.3 Is a programme for start-up and the first year of implementation complete?

Comments:

(a) Are IFAD’s conditions for lending, loan effectiveness or grant release clear to the recipients? Are IFAD requirements for procurement of goods and services and for financial management also understood?

Comments:

(b) Have appropriate organisational arrangements for procurement and financial management been agreed? Are special project accounts defined and set up?

Comments:

(c) Is an Implementation Manual scheduled?

Comments:

(d) Have arrangements been made for start-up workshops, initial work programmes and promotional campaigns?
4.4 What are expected to be the critical KSFs for successful implementation and development impact, which should therefore receive priority for M&E, supervision and implementation support?

Comments:

4.5 Are arrangements for annual work planning and budgeting, progress monitoring and impact evaluation adequate? Specifically:

Comments:

(a) Does the process for annual work planning and budgeting allow for and promote flexibility, providing for on-course adjustment of project activities and scope based on experience on the ground and lessons learnt, especially through direct supervision?

Comments:

(b) Are institutional responsibilities and operational arrangements for work planning and budgeting, and for M&E, defined?

Comments:

(c) What is the status of plans for a baseline survey or impact evaluation?

Comments:

(d) Are outcome/impact and input/output indicators appropriate to the project design and the expected critical KSFs?

Comments:

4.6 Have plans been made and operational responsibilities agreed (for a, b, and c) and have sufficient funds been allocated (only a and c) for:

Comments:

a) IFAD direct supervision or Cooperating institution led supervision?

Comments:

b) Project fiduciary supervision?

Comments:

c) Implementation support?

Comments:

d) MTR, other reviews, and completion reporting?

Comments:
5. Risks and sustainability

5.1 Have project risks been assessed comprehensively and in depth, particularly those affecting start-up and implementation?

Comments:

5.2 Does risk assessment give adequate attention to:

(a) Country capacity – risks due to macro-economic conditions, the political environment, poor governance and insufficient borrower commitment?

Comments:

(b) Effectiveness of the organisations and partners chosen to manage and implement the project?

Comments:

(c) Capacity for financial management, especially during start-up?

Comments:

(d) Procurement capacity, at start-up or later?

Comments:

(e) Reducing the vulnerability of smallholder farmers to increased climatic uncertainty (including climate change)?

Comments:

5.3 Are chosen risk mitigation measures credible and implementable, particularly regarding responsiveness to:

(a) The findings of environmental screening and scoping exercises or Environmental Impact Assessments?

Comments:

(b) Social risks, such as exclusion of key beneficiary groups or lack of socio-political support by authorities or communities?

Comments:

5.4 What measures are proposed in the project design to ensure sustainability of development outcomes, particularly concerning:

(a) More rational use of natural resources?

Comments:

(b) Durability of institutional reforms?
<table>
<thead>
<tr>
<th>Comments:</th>
<th>Overall ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6. Innovation, Learning and knowledge management</strong></td>
<td></td>
</tr>
<tr>
<td><strong>6.1</strong> Do the M&amp;E arrangements of the design provide adequately for learning based on forthcoming implementation experience?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td><strong>6.2</strong> What institutional responsibilities, organisation and funding have been agreed at project level and within IFAD to record, analyse and disseminate the lessons learnt during implementation, and apply innovations generated?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td><strong>6.3</strong> How innovative is the project? Has the issue of innovation been discussed with the Government?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td><strong>6.4</strong> To what extent have prospects for future up-scaling been discussed with the government and external development partners?</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
</tbody>
</table>
ANNEX 3. TEMPLATE FOR REVIEWERS
RECOMMENDATION NOTE

REVIEWERS RECOMMENDATIONS NOTE (RRN)

Section A. Basic Data

Name of Project
Country
Stage of Design
Internal reviewers
External reviewers

Focus of review (specify which project design/thematic aspects reviewed)
KSF…)

Date of TRC Panel
Date of submission reviewer recommendations

Section B. Overview

B.1 Background (Information on the project, design process and country context relevant to the Reviewer’s Note)

B.2 Strongly positive (mature) aspects of design

B.3 Overall assessment

B.4 Compliance with IFAD procedures and policies (ONLY for internal IFAD reviewers)

Section C. Adding Value advice and constructive suggestions for area needing improvement

Issues flagged by CPM on MAT

KSF Domains and Strategic Framework Issues (Overcoming questions deemed critical to success. KSF and LNs are not to be used as checklists. The essence of these should be used as guidance to approximate solutions)

<table>
<thead>
<tr>
<th>Areas of advice</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>KSF 1</td>
<td>Assessment, argued strong/weak points, specific good practices in country/elsewhere, concrete advice for re-design/reformulation/implementation (e.g. networks, contacts, approaches, choices) and value-adding/constructive recommendations</td>
</tr>
</tbody>
</table>

| Country Relevance, Commitment & | |
|----------------------------------| |

---

19
<table>
<thead>
<tr>
<th>KSF 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Partnerships</strong></td>
<td></td>
</tr>
<tr>
<td>Poverty, Social Development, Targeting</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KSF 3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alignment with IFAD Strategic Objectives, development objectives, design features &amp; results framework</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KSF 4</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Implementation arrangements &amp; institutional aspects</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KSF 5</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risks and sustainability</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KSF 6</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Innovation, Learning &amp; Knowledge management</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Section D. Issues proposed for discussion by the TRC or Areas suggested for special attention by the TRC**

The reviewers propose TRC discussions to focus on issues related to the following:

**Section E. Learning Elements (submitted by the LA)**

**Section F: Issues for discussion with co-financiers of the project**
### IFAD’S TARGETING POLICY - CHECKLIST FOR DESIGN

<table>
<thead>
<tr>
<th>Score 1-6</th>
<th>Issues and Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1)</strong> Does the main target group - those expected to benefit most - correspond to IFAD’s target group as defined by the Targeting Policy (the extremely poor and food insecure)?</td>
<td></td>
</tr>
<tr>
<td><strong>2)</strong> Have target sub-groups been identified and described according to their different socio-economic characteristics, assets and livelihoods - with due attention to gender differences?</td>
<td></td>
</tr>
<tr>
<td><strong>3) Is evidence provided of interest in and likely uptake of the proposed activities by the identified target sub-groups?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>4) Does the design document describe a feasible and operational targeting strategy in line with the Targeting Policy?</strong> The targeting strategy will involve either all or some of the following measures and methods.</td>
<td></td>
</tr>
<tr>
<td><strong>4.1) Geographic targeting</strong> – based on poverty data or proxy indicators to identify, for area-based projects or programmes, geographic areas (and within these, communities) with high concentrations of poor people</td>
<td></td>
</tr>
<tr>
<td><strong>4.2) Enabling measures</strong> – These include measures to strengthen stakeholders’ and partners’ attitude and commitment to poverty targeting, gender equality and women’s empowerment, including policy dialogue, awareness-raising and capacity-building, and appropriate project/programme management arrangements (references in ToR, PCU composition); language in describing staff positions (s/he; masculine/feminine).</td>
<td></td>
</tr>
<tr>
<td><strong>4.3) Empowerment and capacity-building measures</strong> including information and communication, focused capacity- and confidence-building measures, organisational support, in order to empower and encourage the more active participation and inclusion in planning and decision making of people who traditionally have less voice and power.</td>
<td></td>
</tr>
<tr>
<td><strong>4.4) Direct targeting</strong> when services or resources are to be channelled to specific individuals or households. Such measures may include eligibility criteria, to be developed and applied with community participation; quotas (e.g. for women), earmarked funds</td>
<td></td>
</tr>
<tr>
<td><strong>4.5) Attention to procedural measures</strong> that could militate against participation by the intended target groups (such as, excessive beneficiary contributions; cumbersome legal requirements, etc)</td>
<td></td>
</tr>
<tr>
<td><strong>5) Monitoring targeting performance. Does the design document specify that targeting performance will be monitored using participatory M&amp;E, and also be assessed at Mid-term review?</strong></td>
<td></td>
</tr>
</tbody>
</table>

**AVERAGE SCORE**
<table>
<thead>
<tr>
<th>Issue and Recommendation</th>
<th>Score 1-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Does the design document contain a context-specific gender strategy that aims to:</strong></td>
<td></td>
</tr>
<tr>
<td>• Expand women’s access to and control over fundamental assets – capital, land, knowledge and technologies;</td>
<td></td>
</tr>
<tr>
<td>• Strengthen their agency – thus their decision-making role in community affairs and representation in local institutions;</td>
<td></td>
</tr>
<tr>
<td>• Improve well-being and ease workload.</td>
<td></td>
</tr>
<tr>
<td>2. The project identifies <strong>operational measures</strong> to ensure gender-equitable participation in, and benefit from, planned activities, and in particular:</td>
<td></td>
</tr>
<tr>
<td>2.1 Sets indicative and realistic targets in terms of proportion of women participants in different project activities and components;</td>
<td></td>
</tr>
<tr>
<td>2.2 Establishes women’s participation in project-related decision-making bodies (such as Water User Associations; committees taking decisions on micro-projects; etc)</td>
<td></td>
</tr>
<tr>
<td>2.3 Reflects attention to gender equality/women’s empowerment in project/programme management arrangements (e.g. including in Terms of Reference of project coordinating unit or project management unit (PMU) responsibilities for gender mainstreaming; inclusion of gender focal point in PCU, etc).</td>
<td></td>
</tr>
<tr>
<td>2.4 Explicitly addresses the issue of outreach to women (e.g. through female field staff; NGO group promoters, etc) especially where women’s mobility is limited</td>
<td></td>
</tr>
<tr>
<td>3. The project log frame and suggested monitoring system specify sex-disaggregated performance and impact indicators.</td>
<td></td>
</tr>
</tbody>
</table>

**AVERAGE SCORE**
ANNEX 4. TEMPLATE FOR TRC REPORT

TRC PANEL REPORT TEMPLATE

Project design data

<table>
<thead>
<tr>
<th>Country:</th>
<th>Project Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region:</td>
<td>CPM:</td>
</tr>
<tr>
<td></td>
<td>Director:</td>
</tr>
</tbody>
</table>

Key Project components:

Design milestones:

Expected EB submission:
Loan Negotiations:

Financing:
Co financiers:

Environmental Category:

Date of TRC:
Panel moderator:
Panel members:
Special reviewers:
TRC Panel Report

1. **Overall Assessment**

   a) **Summary project design**

   b) **Positive aspects of design**

2. **Areas in which the CPM requested advice from the TRC**

3. **Key issues to be addressed before submison to QA**

   Issues brought forward by the TRC Panel are summarised under the six Key Success Factors. The Regional Division may also draw on the issues and suggestions provided in a similar format in the Reviewers’ Recommendation Note.

   **KSF 1: Country relevance, commitment and partnerships**

   **KSF 2: Poverty, Social development, targeting**

   **KSF 3: Alignment of design features with IFAD strategic objectives and lessons learnt; analysis and results framework**

   **KSF 4: Implementation arrangements and institutional aspects**

   **KSF 5: Risks and sustainability**

   **KSF 6: Innovation, learning and knowledge management**

4. **Comments by CPM and Regional Director**
1. Country relevance, commitment and partnerships

2. Poverty, social development, targeting and rural development policy

3. Alignment of design features with IFAD strategic objectives and lessons learnt; analysis and results framework

4. Implementation arrangements and institutional aspects

5. Risks and sustainability

6. Innovation, learning and knowledge management

Overall Assessment:

The relative importance of the six KSF dimensions are not of equal weight and thus the overall rating is not a simple average of the individual ratings. The project and country context influence the relative importance of these dimensions. The panel should use its knowledge, judgement and professional skill in arriving at weights to determine the overall rating.