

Enhancing Results-Based Management through Quality Assurance of Supervision Missions



Supervision in the context of Management for Development Results

The concepts of Management for Development Results (MfDR) are most widely understood as they apply to project-, programme- and country-level management: ensuring that development activities lead to tangible and sustained improvements in the lives of people in developing countries.

But IFAD also recognizes that implementing this management strategy is as essential at the organizational level as it is at the project level. Its framework can be applied to project interventions and institutional performance alike in order to assess performance, learn from experience and use resources more efficiently.

Indeed, IFAD's *internal performance* plays a large role in the organisation's achievement of results at the country level. For this reason, IFAD has made a strong commitment to strengthening the monitoring and management of its resources, internal processes and policies. The organisation has identified a set of corporate management results to work toward in order to achieve its strategic objectives. Among these are better supervision and implementation support—which help to strengthen the relevance, focus, quality and efficiency of country programmes financed by IFAD.

Though supervision and implementation support are strongly linked, they are generally carried out separately: first, a supervision mission will be conducted, then the findings from supervision inform the kinds of implementation support needed at the project level. This paper provides an overview of a promising practice in the supervision process that has been developed and implemented by IFAD's Asia and the Pacific Division (APR) and illustrates how it contributes to the division's overall commitment to accountability and results.

IFAD's supervision process—an overview

Supervision is normally carried out on an annual basis for every IFAD-funded project. Mid-term review missions (where elements of project design can be re-visited more formally, jointly with government) follow a similar process and are carried out once at the mid-point of a project. Supervision is mainly carried out directly by IFAD and often includes the participation of headquarters staff and contracted service providers and consultants, including reputable international/regional/national institutions and local partners. For some projects, supervision is carried out by cooperating institutions rather than directly by IFAD. The approach taken in any given country is based on an assessment of the national implementation capacity and the size of the country programme.

The main purposes of a supervision mission are to review and assess

- a. fiduciary aspects of the project,
- b. project implementation progress,
- c. implementation and achievement of outputs and outcomes by components, and
- d. project sustainability and impact.

During the supervision field mission, information pertaining to these four assessment areas is gathered from beneficiaries, the project team, government officials and other stakeholders and later reflected in the project status report (PSR) and the aide-memoire.

The aide-memoire is a key document resulting from the supervision mission. It summarises the findings of the mission, itemising those issues on which agreement was reached, those that remain to be resolved and any recommendations for project improvement. This document forms the basis for the final wrap-up meeting with lead ministries and project management during which the findings and actions agreed to are discussed and the aide-memoire signed. If changes to the aide-memoire are required, they are made, and a conformed aide-memoire is drawn up and signed. This would then be considered the final document.

Upon their immediate return to IFAD, the country project manager (CPM) or supervision mission leader, submits the conformed aide-memoire as part of the back-to-office report, detailing any contextual considerations

that were not included in the aide-memoire itself, but that the CPM wishes to bring to the attention of IFAD management. The final supervision report is composed of the conformed aide-memoire plus a set of standard appendices (with additional quantitative and qualitative information), and any technical reviews prepared by the mission. These appendices include the PSR that scores progress and performance of various aspects of the project implementation (see Appendix 1). Scores are allocated according to standard score definitions applicable for all IFAD supervisions. These scores are used as one determinant within IFAD's performance-based allocation system, which allocates shares of IFAD funding any single country programme may receive within distinct 3-year cycles.

Within 10 working days of the completion of the supervision mission, the CPM draws up another document called the 'management letter'¹. It includes critical issues that are reflected in the aide-memoire and that require special attention from the minister or head of the government's lead implementing agency. In addition, the management letter may be used to raise sensitive issues that could not be addressed in the aide-memoire. The management letter is reviewed and signed by the division director then sent, along with the aide-memoire, to key implementing agencies and NGOs, cofinanciers, collaborating bilateral and multilateral agencies and other stakeholders in the project. At this point, the supervision exercise is concluded.

Innovative practices for supervision missions— towards a uniform standard of evaluation and quality assurance

The APR at IFAD follows the same supervision process outlined above with an additional procedure: an internal quality assurance process to review the overall quality of the supervision mission. This process was initiated for three main reasons. First, the division wanted to monitor the quality of the supervision mission itself regarding the process, level of collaboration and consultation with stakeholders and the overall impact of the mission. Second, to assess whether the supervision mission report and the PSR² are in alignment and to adjust them if necessary. Finally, the process aims at validating the scores on the PSR to ensure that they are robust and consistent with the findings of the mission as well as with similar performance scoring across projects.

The supervision mission quality assurance process is one of the ways the APR is contributing to the organisational commitment to results-based management. On one hand, supervision missions are intended to assess project implementation but their results also provide important inputs for organisational learning, knowledge management, and portfolio assessment. The PSR scores are used to calculate the overall performance of each country programme, and thereby effect the final allocations of funding to country programmes, within the performance-based allocation system mentioned above.

At an organisational level, the quality of supervision and implementation support provided to projects is reviewed annually as a part of the divisional portfolio reviews and the overall corporate portfolio review. These reviews aim to take stock of the performance of the regional and corporate portfolio of projects, and to identify systemic issues and challenges in implementation. The portfolio reviews help define action plans to improve

¹ In APR, it is recommended that the concluding section of the aide memoire is developed as the main content of the management letter.

² The PSR is an integral part of the supervision report that scores progress and performance of various aspects of the project implementation—see Appendix 1. Scores are allocated according to standard score definitions applicable to all IFAD supervisions.

portfolio performance, thereby feeding into IFAD planning processes. Both the allocation of budget resources as well as the fine-tuning of IFAD internal processes and assignments is informed by this review.

The APR has developed and pioneered a division-level process to ensure that the supervision responsibilities are being carried out at a high level of quality—a process that underpins the organisational-level commitment to high-quality supervision and that scores are of significant rigor and robustness to inform portfolio-management decisions and country programme allocations.

How it works—APR’s quality assurance process

The APR quality assurance process begins when the supervision mission is completed and the CPM returns to headquarters.

1. Feedback from the Project Management Unit

The first step involves getting feedback, via a survey, from the Project Management Unit (PMU) on how they rate various aspects of the supervision mission. The PMU, composed of the project director, team leader and consultants, is asked to answer questions in three key areas:

- *Mission process and logistics*—assessing the extent to which decisions about the timing, terms of reference development and scheduling of the mission were discussed and agreed upon with the PMU and stakeholders.
- *Consultation process during the mission*—assessing whether there was adequate time in the field and consultation with beneficiaries, seek opinion of the technical capacities of consultants and check on the process followed for the development of the aide-memoire.
- *Mission utility and impact*—assessing whether key issues were addressed and resolved during the mission, how this mission compares with past missions with regard to efficiency, effectiveness and consistency and what improvements could be made to improve the mission overall.

The survey sent to the team leader and to each of the consultants is more focused on the mission’s own performance and on the capacity of the mission team to interact, inter alia with partners, stakeholders etc. This survey serves to ensure that lessons are learned and that supervision experiences are regularly reviewed and improved.

2. Independent review by an experienced consultant

The next step is an independent review of all supervision documents and the survey from the PMU. The independent review is conducted by a highly experienced consultant who assigns his own ratings to the project. His ratings are based on discussions with the CPM about the outcomes of the mission, the status of the project and the lessons learned and innovations identified during the mission. For this purpose, the consultant conducts an extensive review of all supervision documents, including the PSR, the management letter, PMU Feedback and any other related documents. This independent review establishes a standard of quality for each supervision (and mid-term review) report, thereby making it possible to compare supervision results from different projects. In addition to these core tasks, the consultant assists in the documentation of best practices, and the cross-fertilisation of best practices between country teams. The consultant also documents key substantive learning from the supervision process that encourages continuous improvement in supervision missions and feeds into better practices in project design or implementation.

3. Division-wide discussions

Once the consultant has completed his review, he prepares a set of draft minutes which act as an agenda for the Peer Debriefing Meeting. A series of meetings are organized at the headquarters to discuss and finalized the supervision documents. Normally, as peer review and for cross-fertilisation purposes, a CPM who is not involved in this particular supervision mission acts as the chair of the discussions. This role is rotated among CPMs within the division.

Colleagues from within the division and from other divisions and departments (for example, from the Controller's and Financial Services Division, and the Office of the General Counsel) are invited to participate in these meetings. Prior to the first meeting, those who will attend are given the preliminary report prepared by the consultant, which includes his summary of lessons learned and his validation scores of the PSR. This document is used as the basis for the final quality assurance meeting.

During the quality assurance meeting, the chair is invited to approve the PSR and to take minutes of the discussion. Much of the discussion aims at soliciting opinions and comments from colleagues on the lessons learned and systemic issues raised at the meeting and on the PSR ratings—with special emphasis on how well the report reflects the real situation and whether the ratings and lessons match the narrative of the supervision report.

Based on these discussions, the CPM might be required to revise the supervision mission report (or the mid-term review report) after the debriefing meeting. In the rare event that there are material changes to be made to the conformed aide-memoire as a result of the quality assurance process, the implementing government would need to be informed.

This quality assurance process is completed within a month of return from the supervision mission, at which time the conformed aide-memoire with appendices from the quality assurance process and the management letter are sent to the government and lead implementing agency

Key lessons and innovations documented within the supervision report are shared more broadly with the general public via the IFAD ASIA portal, where registered users can access and share information or engage in thematic discussions.

Significant results of the quality assurance process

One of the important results of this process has been its impact on the portfolio review process. The portfolio review process is the main management tool used by IFAD's Programme Management Department and Senior Management to monitor and self-assess the performance of each division's portfolio. This includes measuring outputs; assessing efficiency, effectiveness and impact; identifying problems and appropriate solutions; mitigating deteriorating trends; and drawing lessons from experience. The rigorous reviews and robust scoring ensure that the supervision exercises that inform these self-assessments are objective and verifiable.

The portfolio review process is designed to integrate information from a variety of sources and provides for a systematic review at various levels—project, country programme, regional and corporate. It is an integral part of monitoring the organisational “results chain”. The aide-memoires and PSR are some of the key sources

considered in this review. Because APR's quality assurance process lends transparency to its portfolio rating, it is now being replicated in other IFAD regional divisions, leading to a more rigorous, consistent and transparent quality assurance process within the organisation.

Resources

Project supervision in IFAD: www.ifad.org/operations/projects/supervision

IFAD's Performance-based Allocation System: <http://www.ifad.org/operations/pbas/>

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Bio-sketches and contact details

Angela Orlando, MA, has 17 years' experience in the U.S. non-profit and community development sectors with a strong focus on women in poverty. She has a range of project experience, including direct service; project development and coordination; and teaching, training and facilitation. Over the last 10 years, her work has focused on writing, editing and developing educational materials for both international and domestic NGOs. She can be reached by email at aorlando68@gmail.com.

The Co-author Ms. Mehry Ismaili works in IFAD as Assistant to the Director and also with the Portfolio Adviser. She has an extensive knowledge of the organisation with more than two decades of experience in IFAD. Prior to her joining the Asia and the Pacific Division, Ms. Ismaili worked for the records management and researches unit under the Communication Division. She can be reached at m.ismaili@ifad.org.