

3

Learning theme on knowledge management: How can operations learn to improve performance?

Background

218. As agreed by the Executive Board in December 2015 the learning theme for this year's ARRI is knowledge management, with particular emphasis on how operations learn to improve performance. It is important to clarify up front that the learning theme should not be considered equivalent to an evaluation as it is based only on a review of previous IOE evaluation reports and other evaluative documents, and discussions with IFAD Management and staff.
219. **Objectives of the learning theme.** The main objective of this year's learning theme is to identify cross-cutting good practices and lessons that strengthen IFAD's learning loops for better operational performance and development effectiveness.
220. **Approach.** This paper takes as its starting points IFAD's 2007 Knowledge Management Strategy which provides a meaningful time point to define the temporal scope of the work. Thus, all of the information examined for this paper comes from the period following the issuing of the strategy. The results presented in this chapter draw from the findings of:
- (i) A review of literature on knowledge management, IFAD strategic documents, and reports from other development organizations;
 - (ii) An analysis of IOE CPEs, which generate the ratings on knowledge management, but also CLEs and ESRs covering the years 2009-2015; and
 - (iii) Interviews with IFAD Management and staff to gather insights into knowledge management processes.
221. **Definition of knowledge management.** While there has been an active movement to promote knowledge management across many fields, there is no generally-accepted definition of the term, nor are there agreed-upon standards for what constitutes a good knowledge management system. IFAD's strategy defines knowledge management as the process of "capturing, creating, distilling, sharing and using know-how". This provides a useful working definition for purposes of this paper, and is in line with most of the literature in the field.
222. This definition comprises both explicit and tacit knowledge. Explicit knowledge is found in documents, reports, databases, and similar forms that can be codified and catalogued, making them readily available, for example on IT platforms. The major issue is to ensure that such explicit knowledge is readily accessible to those who need it, when they need it, and in a form that they find useful.
223. Tacit knowledge, however, is much more difficult for most organizations to manage.

Such knowledge is rooted in individual experience, practice, and values, and tends to be context-specific. It resides in people's heads rather than in documents, databases, or similar forms. Although often regarded as the most valuable knowledge for an organization, it is difficult to codify, and therefore not well-suited to IT systems for storage and retrieval, but more likely to be tapped through mentoring, consulting, partnering and training.

224. What is less clear from the definition is that knowledge management must be systematic. That is, it needs to involve purposive activity designed to carry out the functions of knowledge capture, creation, distillation, sharing and use through a set of deliberate processes, rather than ad hoc interactions. This is an important point, because without a system there may be idiosyncratic knowledge-sharing, but there is no real knowledge management. Thus, underlying the analysis in this learning theme section is the question of the extent to which knowledge management processes in IFAD are organized and applied systematically.
225. Moreover, for such a system to work in practice requires the development of a culture of learning that encourages staff, management, clients and partners to collaborate on learning from both successes and failures, as well as from internal and external experiences. This includes incorporating research, M&E as sources of knowledge, and communications systems as means of disseminating learning. One of the most difficult issues confronting organizations trying to implement knowledge management programmes is that the internal culture – generally-accepted practices, routines, and values – often is hostile, or at best indifferent, to knowledge management itself. This is an issue for IFAD, as it is for nearly all organizations attempting to implement knowledge management systems.

31 The strategy has four objectives: (i) strengthening knowledge-sharing and learning processes; (ii) equipping IFAD with a more supportive knowledge-sharing and learning infrastructure; (iii) fostering partnerships for broader knowledge-sharing and learning; and (iv) promoting a supportive knowledge-sharing and learning culture.

Lessons learned

226. This section provides the main lessons learned of the 2016 learning theme on knowledge management, in particular in relation to: (i) the evolution and key features of IFAD's knowledge management system; (ii) cross-cutting lessons that strengthen IFAD's learning loops for better operational performance and development effectiveness; and (iii) challenges to be addressed moving forward.

Evolution of knowledge management in IFAD

227. Along with other development institutions, led by the World Bank, IFAD began to take a serious interest in knowledge management during the late 1990s and early 2000s. This was driven by an evolution in development work from simply financing projects to supporting much more knowledge-intensive and innovation-based programmes aimed at institutional and policy transformation.
228. **Knowledge management strategy.** IFAD's first knowledge management efforts tended to be isolated activities or add-ons to existing programmes or projects, without a clear strategic focus. As a result, knowledge management was fragmented and poorly integrated into IFAD's work, with resources and responsibilities spread thinly, and a coherent sourcing, planning, reporting, and results framework lacking. Recognizing this, IFAD developed a Knowledge Management Strategy in 2007,³¹ taking into account lessons learned from these early efforts. The strategy guided knowledge management activities for the period 2008-2010, with annual reporting on the implementation progress. It grew out of a recognition that IFAD's development effectiveness required learning from experience, including its own operations, to improve its own performance and effectiveness. The strategy provided a basis for a number of changes in how IFAD approached knowledge management. First, it led to the strengthening of IFAD's information

technology infrastructure and knowledge management tools, including a web portal, content management tools, virtual workspace platforms with collaborative authoring and editing applications, and improved communications solutions.

229. Second, it also led to a number of changes in how knowledge management was managed. Requirements for knowledge management and learning were incorporated into business processes such as project design, quality enhancement and quality assurance. At the Senior Management level, the Vice-President provided leadership, acting as knowledge management's institutional champion. At a more operational level, IFAD established a knowledge management core team that led a knowledge management community of practice with members from various divisions and had responsibility for reporting on implementation progress to the Executive Board. Regional divisions and the Policy and Technical Advisory Division appointed knowledge management officers charged with implementing the strategy in IFAD operations. A number of other changes were designed to promote knowledge management activities throughout the organization. In 2011, IFAD created the Strategy and Knowledge Department (SKD) to institutionalize knowledge management within the organization.

230. Internal reviews carried out in 2012-2013 found some evidence of success in implementing the strategy. In particular, they reported widespread adoption of methods and tools to support learning and sharing, as well as establishment of knowledge management officer positions, and efforts to provide resources specifically for knowledge management activities. Among the knowledge management activities identified were learning fairs, meetings of project managers at the country and sometimes regional level to share experiences, expansion of regional networks, integration of knowledge management into

COSOPs and some project designs, and CPM forums for engaging CPMs in learning processes. Existing mechanisms, such as portfolio reviews held annually in various regions for discussing implementation results and lessons with all staff, also served as knowledge management tools. In addition, the internal reviews noted improvements in documentation and provisions of electronic access to some key documents to staff, such as PCRs.

231. However, the reviews cited a number of shortcomings. Knowledge products that were expected to be key outputs under the strategy (i.e. learning notes and technical advisory notes) were produced only sporadically after 2008. Thematic groups and communities of practice did not progress far beyond where they were when the strategy was adopted in 2008. Most importantly, there was limited evidence of sustainability or impact from the knowledge management effort. As a result, while there was some progress towards achieving the objectives of the strategy, the results fell far short of creating the kind of learning culture needed to sustain and expand those gains and produce the improved operational and development outcomes envisioned.

232. **Knowledge Management Framework.** To address the above shortcomings, IFAD prepared a Knowledge Management Framework in 2013 to update IFAD's strategy.³² Each of the objectives in the Framework is tied to a specific set of key result areas that provide, at least potentially, measurable outputs, outcomes and impacts to hold the institution accountable for progress on knowledge management. The Framework includes a section on monitoring, reviewing and reporting on progress in implementation.

233. The Framework was endorsed by the Operations Management Committee (OMC). The OMC requested an action plan that has been delayed because of a reconfiguration of

32 The Knowledge Management Framework has three objectives: (i) strengthening country-level knowledge and uptake of effective approaches; (ii) strengthening IFAD's strategic positioning, relevance, and visibility; and (iii) strengthening IFAD's capabilities to embed knowledge management in work processes and organizational culture.

SKD, and as a result, knowledge management in IFAD has not yet evolved into a clear work programme, with outputs, outcomes, indicators and targets. However, the action plan will be presented to the OMC this year.

IFAD's knowledge management system

234. IFAD did not create a knowledge system de novo to achieve the objectives of the strategy, rather it built on existing systems to create, capture and distil knowledge. These include project M&E systems, independent evaluations, funded research, and management information systems. Moreover, the Fund had long promoted knowledge-sharing through publications of analytical work, workshops, conferences, training programmes and regular interactions with other development organizations, member countries, and beneficiaries.
235. The main purpose of the strategy and Framework was to take these existing processes and make their use for knowledge management more focused and systematic, rather than idiosyncratic and sporadic, and to enhance the capacity of IFAD to learn, adapt, and improve by building knowledge management and learning into business processes, encouraging a high-performance culture and improving information management. The result expected was a more integrated and systematized knowledge management system which would enable the flow of knowledge and learning to create knowledge loops at different levels of the knowledge management system, from the project to the country and institutional levels, and back to the project, as explained in the next paragraphs.
236. **Project level.** Learning from projects takes many forms. Much of that learning comes from the mostly tacit knowledge gained through the day-to-day work of project management. The 2013 CLE on IFAD's Supervision and Implementation Support Policy highlights the role that supervision and implementation support plays in generating learning. CPMs responsible for direct supervision had not only learned more about supervision processes and project implementation, but more importantly about rural development issues in the countries concerned. This learning was linked to subsequent project design, as shown by rising quality-at-entry ratings. Another mechanism is cross-supervision, by which CPMs supervise projects on behalf of their colleagues. CMPs cited this as an effective means for sharing cross-country knowledge, benefiting both IFAD and partner governments.
237. Tacit knowledge is also tapped and shared routinely through formal and informal learning events, and by structured methods, such as the Learning Route. The CLE on IFAD's Supervision and Implementation Support Policy reported that country programme officers have been effective in sharing knowledge gained from projects through such mechanisms as bringing together IFAD project managers, government officials, and civil society to share and learn from their experiences. Indeed, many borrowers gave IFAD high marks for this kind of knowledge-sharing as compared to the efforts of other international financial institutions.
238. At the same time, IFAD has employed other mechanisms to develop explicit knowledge. Two important sources, discussed more in detail in the next section, are the project M&E systems and independent evaluation systems already in place. Beyond that, impact evaluations are especially useful not only to assess impact of specific development interventions but especially to learn what does or does not work, although typically they are expensive so can cover only a small percentage of projects.
239. **Country and thematic levels.** The knowledge gained through IFAD's projects is aggregated, distilled and communicated to the rest of the organization and the development

community at the country level, which is the centre of IFAD knowledge management. A range of activities, such as knowledge-sharing fairs, information exchanges among project managers, and communication of knowledge gained from IFAD work within the countries or regions, is organized at the country level. A fundamental building block of the system is the COSOP which is a major source of direction and support for knowledge management activities. COSOPs are expected to include a knowledge management component that is explicitly linked to the overall country strategy, as well as to the individual projects in the portfolio.

240. Also, they are expected to draw on experience from previous country programmes and projects, lessons and findings from evaluations as well as relevant country and sector research. Finally, COSOPs should tap tacit knowledge through consultations with experts, government officials, development partners and beneficiaries.

241. Cutting across countries are a series of thematic groups or networks that help to bring together knowledge from across countries and regions on specific areas of interest to IFAD's development mission. Topics range from community-directed development to food and nutrition security, gender to indigenous people, livestock and rangeland to climate change, and many more. These knowledge networks help to pull together and disseminate a great deal of knowledge through a range of activities, including direct communications, knowledge fairs and formal publications.

242. The combination of knowledge built up at country level, and knowledge developed across countries by topic, provides the potential for a powerful knowledge base for IFAD and its development partners. As noted elsewhere, the knowledge management system is not yet fully systematized, but improvements in that area, with the knowledge bases being developed, could make IFAD

substantially more visible and important as a knowledge source within the rural development community.

243. **Institutional level.** At the institutional level SKD plays a central role in positioning IFAD as an effective, global, knowledge-driven rural development institution. For example, SKD distils evidence-based knowledge from IFAD's programme interventions through, inter alia, conducting impact assessments.

244. SKD recently undertook an internal review with the aim of ensuring the department is "fit for purpose", with the required organizational architecture to support IFAD in achieving its mandate of sustainable and inclusive rural transformation. The department rests on two operational divisions: (i) the Research and Impact Assessment Division, which focuses on research, impact assessment and analysing and providing input on internal processes to ensure effective development; and (ii) the Global Engagement, Knowledge and Strategy Division, which will bring IFAD's global engagement and strategic planning under one umbrella, together with knowledge management and SSC and TrC, thus enabling the Fund to leverage mutually reinforcing synergies for greater development effectiveness.

245. The Policy and Technical Advisory Division of PMD and IOE also play a key role within the knowledge management system. The Policy and Technical Advisory Division integrates knowledge into projects and programmes, for example through its development of a "How-to Notes" toolkit that distils lessons on specific issues, such as how to include smallholders in agricultural value chains. These notes are expected to be done only where there is demand for them. An issue is how to disseminate these notes effectively to ensure learning; current efforts include training sessions embedded in regular workshops. It is planned to shift this work to a country focus, which would allow these products to be linked

more directly to country programmes and placed in a country context.

246. IOE plays an important role within the IFAD knowledge management system by conducting independent evaluations of IFAD operations and processes, particularly through project performance evaluations, impact, syntheses, country programme and corporate-level evaluations. Moreover, IOE produces the ARRI every year, which is a reflection of the Fund's commitment to promoting accountability, learning and transparency in reporting on results. Accountability and learning are the key principles that govern the undertaking of each evaluation by IOE, which capitalizes on the knowledge generated through the evaluation process and shares evaluation findings and results with the wider audience.

Lessons from knowledge management practices in IFAD

247. As mentioned, this review of knowledge management at IFAD is intended to identify cross-cutting good practices and lessons that can strengthen learning loops to improve IFAD's performance and its overall development effectiveness, as described in the following paragraphs.
248. First, **integrating knowledge management into country strategies is crucial to success.** As discussed above, the country level is the cornerstone of IFAD's knowledge management system. However, the evidence suggests that often COSOPs do not thoroughly address knowledge management at the country level, if at all. The Knowledge Management Strategy sometimes remains confined to the project level, making it less strategically relevant and, even when there is a clear country-based knowledge management strategy, it often is not carried to fruition. The consequence is that at the country level, IFAD sometimes falls short in making knowledge management a strategic advantage.

249. Addressing such weaknesses can pay off for the organization. Brazil is an example where, after an unsatisfactory rating of knowledge management in the 2007 CPE, the 2008 COSOP included knowledge management as one of four strategic objectives, and called for setting up knowledge-sharing networks, disseminating knowledge about measures for adapting to climate change, establishing partnerships with relevant science and technology institutes, and strengthening the capacity to learn from experience.

250. In the subsequent period IFAD adopted these goals, particularly in its project for the north-eastern semi-arid region of Brazil. The project supported the strengthening and/or the establishment of collaborative networks related to technological innovations, natural resource management and adaptation to climate change, and rural business. While the 2015 CPE found continuing areas of weakness, it rated knowledge management as moderately satisfactory, a marked improvement over the 2007 report.

251. Another example of good practice is offered by the Madagascar experience in linking project-level knowledge management to the country strategy (box 7).

252. Second, **time and budget availability are key to enhance learning and knowledge management.** Studies of knowledge management efforts in both the public and private sectors uniformly highlight the extent to which budget limitations loom large. In most cases the main problem is that knowledge management activities are treated as additional, rather than integral, to programmes and projects.

253. In this regard it is noteworthy that neither the 2007 Strategy nor the 2013 Framework discuss the financing of knowledge management directly. The estimates for the overall costs of the activities to be undertaken are not provided, but more importantly, there is no guidance

Box 7 Linking country and project knowledge management in Madagascar

The 2013 CPE rated Madagascar highly satisfactory with regard to knowledge management, the only case with such a rating. In 2007, the country team launched the Improvement in the Monitoring and Evaluation and Knowledge Management System platform which linked the indicators for individual projects to those in the COSOP logical framework. This facilitated M&E, the flow of information through the system and data analysis. IFAD and its partners also shared knowledge by capitalizing on, scaling up and communicating experiences from projects through brochures and video documentaries, two books and websites. Each project's M&E unit also ran a communication component targeting farmers through various media, including rural radio and a quarterly magazine that share the knowledge gained.

on how country departments are to fund knowledge management actions. This leaves those activities in competition for the scarce resources with other operational necessities.

254. Many IFAD knowledge management activities were financed through grants. For example, in Jordan the main support for knowledge management activities was regional grants, especially through the region-wide Knowledge Access in Rural Interconnected Areas Network (KariaNet), funded by IFAD and the International Research Development Centre (IRDC). This network provided opportunities for knowledge-sharing across projects throughout the region, and reported feedback has been positive.

255. However, the 2014 CLE on IFAD's then-extant Policy for Grant Financing found that "links between global/regional grants...and individual country programmes are weak, and the results and learning from such grants are not adequately benefiting IFAD country programmes." Thus, while such grant funding might have promoted knowledge generated through IFAD programmes as a public good, they might not always have met IFAD's own knowledge management needs. The new Grants Policy calls for a stronger focus on managing grants, including a requirement for knowledge management plans and indicators on knowledge management in the policy's results framework.

256. Even when knowledge management is budgeted, it still has to compete for management attention with other aspects of programme delivery that are more tangibly associated with measurable results. In China, for example, the 2008 Dabeishan Area Programme included assigned budgets for knowledge-related activities. However, in 2012 the midterm review found that, "knowledge management had not been managed as planned," mostly because, "knowledge management was not a priority for the PMO [Programme Management Office]." The central issue for IFAD is how much the organization should prioritize knowledge management over competing priorities, and what level of resource commitment is appropriate to support that level of priority.

257. Third, **aligning human resources and incentives strongly supports the promotion of knowledge management.** The benefits of assigning staff to knowledge management activities are provided by the example of the East and Southern Africa Division (ESA) that has appointed a full-time knowledge management officer based at headquarters, who is coordinating knowledge management for the regional division, including Kenya, as detailed in box 8.

258. However, human resource issues run throughout the knowledge management programme. At the institutional level, SKD has

Box 8 **Dedicated ESA staff support to knowledge management in Kenya**

The support of a staff member dedicated to knowledge management across the ESA region has facilitated IFAD's efforts to establish communities of practice. In Kenya, these have focused on country programme themes such as water development, rural finance and financial management. ESA also organized regional knowledge management workshops to enhance knowledge-sharing within Kenya and across countries in the region. The Kenya country office also has a dedicated website for IFAD operations in Kenya, and a Rural Poverty Portal accessible through the Fund's corporate website, while ESA has developed an Internet site (IFADAfrica), which serves as a platform for sharing knowledge and information throughout the region. Overall, IOE rated Kenya's knowledge management programme as satisfactory.

a small staff, which limits its ability to provide guidance and support to the rest of IFAD. At an individual level, human resource constraints loom even larger. One of the consistent themes running through IOE's interviews with IFAD Management is that operational staff generally are overburdened, which limits their ability to engage in knowledge management activities.

259. This issue is exacerbated by IFAD's incentive system. IFAD's staff performance assessment system, like that at other development institutions, is a key component in decisions on such financial incentives as promotions and pay raises. The form used for rating staff performance does include knowledge management as part of one criterion, but it is mixed in with a number of other dimensions, so that its weight is highly diluted. This means that contributing to knowledge management is unlikely to have much of an impact on staff members' performance rating, and therefore on the key decisions affecting their career advancement.

260. The Framework recognizes this issue, and suggests a number of ways to address it. Most directly, it mentions "reporting mechanisms that are more focused on knowledge; development of knowledge products as part of job descriptions, and performance assessment recognition for contributions to knowledge networks and peer groups." However, there appears to

have been little movement in this direction since the Framework was endorsed.

261. Fourth, **M&E systems at the project level which can capture experiences and lessons are key to ensure a solid knowledge management function.** The first requisite for a knowledge management system is that it involves the creation, capture and distillation of knowledge. These are very different ways of accumulating knowledge. What they have in common is that they are more than simply the collection of data. Indeed, data, both quantitative and qualitative, explicit and tacit, are the building blocks of knowledge, but are not knowledge in themselves. Data must be transformed into knowledge.

262. Knowledge creation typically comes from original analyses of data, whether newly collected or repurposed through secondary analysis. The most readily available source of data and knowledge at IFAD is the M&E system. A number of interviewees specifically cited M&E as potentially a highly useful source of knowledge. Several noted that strengthening M&E would have the benefit of building on processes already in place, so that staff would not be confronted with new (additional) processes to feed the knowledge management system, but instead would be building on an already familiar and routine aspect of their work.

263. M&E systems should provide a wealth of knowledge across a range of programmes and projects funded by IFAD that could make significant knowledge contributions. However, as discussed in previous sections of the ARRI, M&E systems are still underperforming. This is an important area that deserves attention moving forward. IFAD has the potential to bring immense field experience into the policy discourse, based on systematic collection of evidence from operations. Yet, given the data gaps and lack of sound empirical impact assessment in most of the projects, programme M&E data can only be used with caution for dissemination of results and leverage of cofinancing to scale up successful practices.
264. Fifth, **capturing and communicating tacit knowledge is important.** By far most of the knowledge IFAD and other organizations seek to tap is tacit knowledge, which generally is not documented, but passed on person to person, mostly through informal interactions, mentoring, training and the like. Tacit knowledge tends to be highly contextualized, based on experience, and most relevant to operational work. However, it is hard to capture it in a systematic way, an issue that has bedevilled most organizations implementing knowledge management programmes.
265. The most commonly-cited examples of activities directed at tapping into and sharing tacit knowledge are country or regional workshops. Examples include annual portfolio review workshops in China that bring together multiple stakeholders to exchange experiences and knowledge across projects. Another mechanism, cited in the Zambia CPE, involves exchange visits among projects within the country or region. Tacit knowledge also is disseminated through interactions among members of groups such as country programme management teams, project teams and thematic groups.
266. An initiative coordinated by IFAD Africa sought to provide project and country staff with an understanding of how to use knowledge management as a way to build continuous learning into project management and implementation so as to improve performance, results and impact. It used an action-learning process through workshops on how to integrate information management, M&E, communication and innovation functions into one strategy and system.
267. The workshops were followed up with in-country coaching, in effect extending the learning beyond a one-off event by providing the sharing of tacit knowledge on knowledge management itself, thereby raising staff competency and capacity development. IOE's 2013 CPE on Uganda reports positive results from this effort in terms of project staff "awareness about the importance of learning for improved performance, and the need to document lessons and focus on demonstrating results and impact." Other initiatives include IFAD's work with Procasur, which led to the publication of a guide for implementing the Learning Route method for capturing knowledge from local actors as a way to develop innovative solutions to current issues.
268. Finally, **knowledge partnerships enhance the reach of knowledge management.** The 2015 CPEs, particularly those for Brazil and Nigeria, recognize that IFAD's project-based intervention model has some limitations in terms of knowledge management. Widening knowledge partnerships and anchoring knowledge in national and local institutions is key to strengthening the analytical base of IFAD's knowledge management work at country level. This means that knowledge-sharing is not a one-way street between IFAD and developing countries, but rather a system of exchanges among IFAD and other international institutions, member countries, local organizations and individual beneficiaries. Such partnerships facilitate not only North-

South but also South-South collaboration and knowledge-sharing as a way of tapping into the knowledge – especially tacit knowledge – that all participants in development have to contribute.

Challenges to be addressed moving forward

269. The discussion of lessons above makes clear that IFAD needs a systematic approach to knowledge management. This does not mean that the knowledge management efforts have failed. There are examples of progress in using knowledge resources more strategically, in incorporating lessons of past operations into present work, and in expanding knowledge-sharing inside the organization and with external partners at all levels.
270. Thus, to make additional progress, **continuing and expanded efforts are needed to systematize knowledge management in IFAD** based on M&E systems that are the backbone of the knowledge management architecture, establish stronger horizontal and vertical knowledge-sharing and knowledge management, and promote further convergence among the project, country and institutional levels instead of seeing projects as separate ‘islands of excellence’.
271. The recent SKD functional review represents a step in the right direction to ensure the development, systematization and dissemination of IFAD’s knowledge outputs. However, more efforts at all levels are needed to tackle a number of challenges moving forward, as described in the following paragraphs.
272. First, more attention is needed to **providing resources commensurate with the knowledge management strategy**. As discussed above, at the project and country levels, budgeting for knowledge management often relies on grants or the administrative budget. There is no institution-wide allocation for knowledge management, meaning that
- it has to compete with other priorities, so that funding is uncertain. As a result, it is impossible to know how much is being spent on knowledge management, much less determine whether those costs are justified by the results in terms of organizational effectiveness and results for clients.
273. Second, there is a need to **develop and measure performance indicators for knowledge management**. It is difficult to discern how well aspects of IFAD’s knowledge management programme are implemented or how they contribute to IFAD’s effectiveness because there are no indicators available other than IOE ratings. The saying “what gets measured gets done” may over simplify it somewhat, but the management literature is replete with research that demonstrates how failure to measure often means failure to implement.
274. Third, **the enhancement of staff knowledge management skills merits consideration moving forward**. Expertise in knowledge management at IFAD is thin. This is not a new issue, and in part it is related to the question of resource allocation discussed above: it costs money to hire and/or train knowledge managers, and to train and incentivize staff to participate effectively in the knowledge management programme.
275. The final challenge is related to the **alignment of incentives with the knowledge management strategy**. While IFAD has committed itself to knowledge management over a number of years, the incentive systems for staff are not well aligned with the strategy. From a staff perspective, this may appear as ambivalence by Management about the relative importance of knowledge management vis-à-vis other priorities, making them uncertain whether knowledge management really is central to IFAD’s work. A better alignment of the incentive system with the knowledge management strategy would help to provide clarity to staff and

motivation to participate actively in knowledge management efforts.

276. Moreover, because individual performance measures focus on results achieved, staff do not have strong incentives to identify learning opportunities from programme or project failures, even though these often provide important lessons that can support future success. A better alignment of the incentive system with the knowledge management strategy would help provide clarity to staff on their accountability for learning, and positive motivation to participate actively in knowledge management efforts.

277. To conclude, the ultimate challenge for any knowledge management system, including IFAD's, is to create a culture of knowledge, in which the strategy, systems, financial and human resources, and incentive structure are aligned in a way that facilitates the gathering, dissemination, and use of knowledge that improves the organization's effectiveness in reaching its objectives.