

IFAD'S DECENTRALIZATION PROCESS

Decentralization is generally understood as a process that involves the transfer of the authority and power to plan, make decisions and manage resources from higher to lower levels of an organizational hierarchy, to facilitate efficiency and effective service delivery.

When the International Fund for Agricultural Development (IFAD) was established in 1974, the intention was to work through existing organizations rather than for IFAD to have country offices.

In 2003, IFAD's Executive Board approved the Field Presence Pilot Programme for the period 2004-2006, leading to the establishment of 15 country offices.

In 2011, after a corporate-level evaluation of the Field Presence Pilot Programme was conducted, the Board approved the IFAD Country Presence Policy and Strategy (2011-2013), setting a cap of 40 country offices. Later, the IFAD Country Presence Strategy (2014-2015) raised the cap to 50. As of mid-2016, IFAD had **40 country offices** covering 79 per cent of total IFAD financing.

4 MODELS

LED BY A COUNTRY PROGRAMME MANAGER

A national staff member leading the office under the supervision of an international staff member based in Rome.

LED BY A COUNTRY PROGRAMME OFFICER

An international staff member out-posted in a country and supported by national staff.

SUB-REGIONAL HUBS

Sub-regional office, led by an international staff member, that also provides services to neighbouring countries.

REGIONAL SERVICE CENTRE (NAIROBI)

Regional office, only established in Kenya, led by an international staff member and with some decentralized financial functions.

MAIN ACTIVITIES OF IFAD COUNTRY OFFICES

1 Implementation support

2 Country programme development

3 Partnership-building

4 Knowledge management, innovation and capacity-building

5 Country-level policy engagement

IFAD

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, IFAD has provided about US\$18.9 billion in grants and low-interest loans to projects that have reached some 470 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub. For more information visit www.ifad.org.

INDEPENDENT OFFICE OF EVALUATION

The Independent Office of Evaluation (IOE) conducts evaluations of IFAD-financed policies, strategies and operations to promote accountability and learning. The main purpose is to contribute to improving IFAD's and its partners' performance in reducing rural poverty in recipient countries. IOE's independent evaluations assess the impact of IFAD-funded activities and give an analysis of successes and shortcomings as well as identify factors affecting performance. Based on the key insights and recommendations drawn from evaluation findings, IOE also shares IFAD's knowledge and experience in agriculture and rural development with a wider audience. For more information visit www.ifad.org/evaluation.

ASIA AND THE PACIFIC



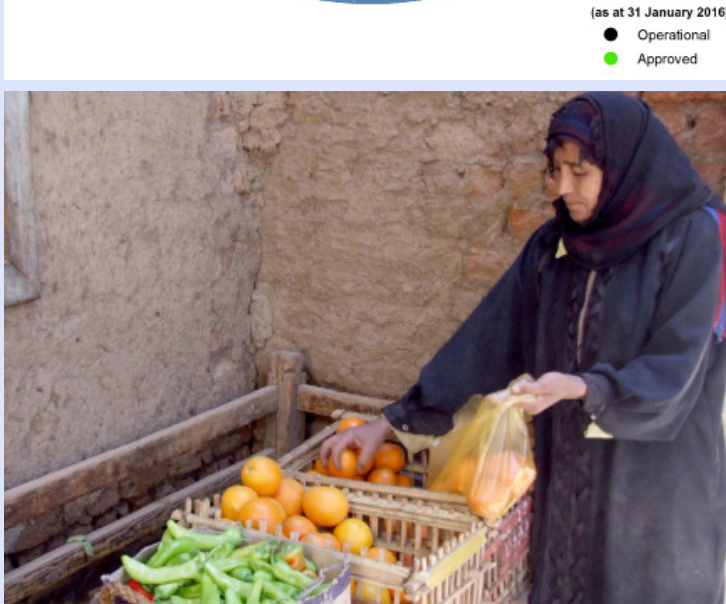
EAST AND SOUTHERN AFRICA WEST AND CENTRAL AFRICA



LATIN AMERICA AND THE CARIBBEAN



NEAR EAST, NORTH AFRICA AND EUROPE



EVALUATION OBJECTIVES

Assess and generate learning on: (i) IFAD's decentralization experience, efforts and underlying assumptions; (ii) the contribution of IFAD decentralization to better operational performance and better development results; and (iii) costs of the decentralization process in relation to the results achieved.

EVALUATION TIMELINE



2003
to
2015

EVALUATION FINDINGS

RELEVANCE



- IFAD's overall objectives and design in the strategy were valid.
- However, some assumptions were not fully realistic. One was that decentralization could be cost-neutral.
- Another assumption was that each regional division could experiment with different modalities to country presence without analysing the advantages and disadvantages of alternative options and without a more structured corporate approach.
- Initially, it was also assumed that changes should focus on expanding country presence without reforming headquarters significantly.

EFFECTIVENESS



- Country presence has contributed to project implementation support which has helped enhance project effectiveness.
- Country presence allows for enhanced responsiveness and problem solving.
- Ratings for project performance and development results were significantly higher with country presence.
- Contribution from country presence was notable in the case of partnership-building, but more limited for knowledge management and policy engagement. This was partly due to the limited human and financial resources available at the country-office level.
- Coverage for policy engagement was largely determined by the interests, experience and initiatives of individual staff members.

EFFICIENCY



- IFAD was able to contain the costs associated with decentralization. However, not all the available options for re-organizing headquarters and reducing costs have been explored.
- Sub-regional hubs configuration has advantages compared to other forms of country presence. In terms of costs, the advantage is that sub-regional hubs can serve multiple countries without having to replicate the country office structure in each of them.
- The envisaged process of delegation of authority has progressed slowly. As an example, budget-holder responsibility remains with the regional directors in Rome.

EVALUATION RECOMMENDATIONS

1

Strengthen IFAD's country presence while pursuing options for enhance cost-efficiency

Based on a functional analysis:

- re-organize country presence around a selected number of sub-regional hubs;
- re-organize staff levels between headquarters and country offices.

3

Improve decentralized decision-making through stronger delegation of authority

Prepare a plan for delegating budget-holding authority to country directors, and define a framework for further delegating authority for releasing communication material (e.g. country web page, web links for knowledge products, social media).

5

Improve the quality of data, monitoring and self-assessment

Adjust IFAD financial management and accounting systems to monitor comprehensively the cost of country programme management.

2

Provide more support to knowledge management, partnership-building and country-level policy engagement to achieve stronger development results

Introduce a more selective agenda for these non-lending activities, based on consultation with national development partners. Differentiate non-lending agenda and the expectations by type of country office and resources available.

4

Enhance staff incentives and capacity to operate in a decentralized environment

Strengthen incentives for out-posted staff (e.g. opportunities for career advancements), notably for those in countries with fragile situations. Develop a plan to better recognize and empower country programme officers.