

IOE



Investing in rural people

Independent Office of Evaluation



ECG Meeting

Corporate Level Evaluation of IFAD's Decentralization Experience 2023

18 October 2023

OVERARCHING EVALUATION QUESTION

To what extent did decentralization contribute to IFAD delivering significantly better development results in an effective and efficient manner?

EVALUATION CRITERIA

RELEVANCE

EFFECTIVENESS

EFFICIENCY

COHERENCE

Evaluation Approach – Triangulating Evidence

Document review



Key informant interviews:

686

IFAD staff and stakeholders



Comparative study:

7

IFIs and UN agencies



807

Electronic survey:

case studies

15



Thematic deep dives

(budget, human resources, knowledge management)



Econometric analysis of portfolio:

588

projects



responses from staff and stakeholders





Inadequate time for evidence-based adaptive management and learning.

Rationale of Regional and Multi-country Offices not convincingly analyzed.

Cost of Field Presence and Resources for Country Programme Delivery

	2016	2017	2018	2019	2020	2021	2022
Total cost of field presence (\$M)	18	25	29	48	51	52	65
Total cost of field presence as a share of administrative budget	12%	17%	19%	30%	32%	33%	39%
Country programme development budget as a share of total administrative budget	59%	53%	52%	52%	51%	49%	47%

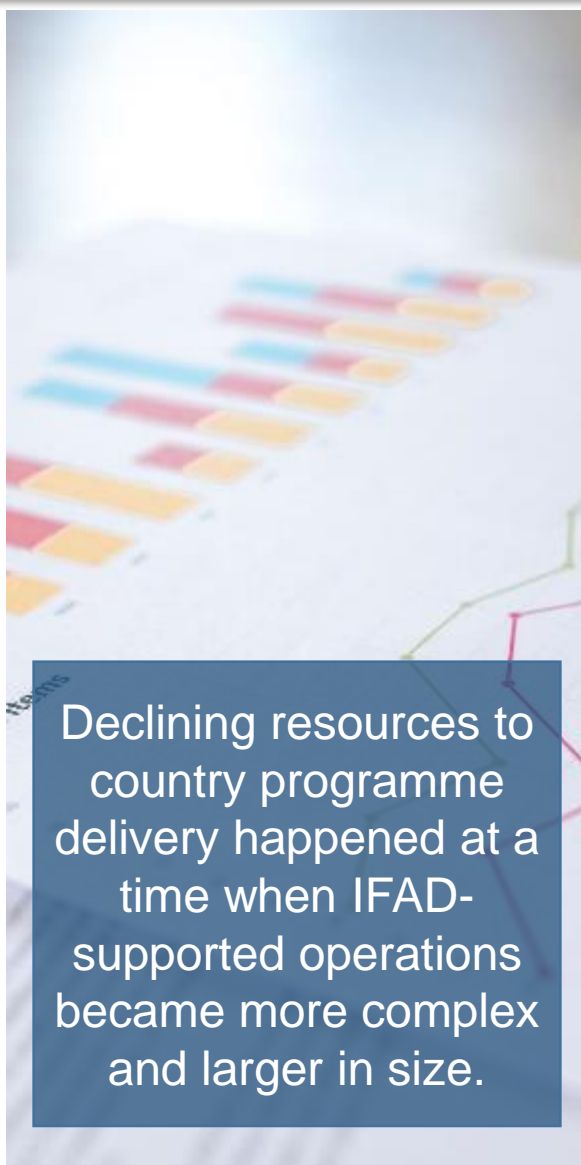
Source: IOE Estimates from IFAD budget documents

MDBs current values: World Bank = 59%; IADB = 56%; ADB = 54%; AfDB = 49%

Key Findings – Budget Allocation (contd)



Weak resource planning and inadequate resources for country programme delivery pose threats to development effectiveness



Declining resources to country programme delivery happened at a time when IFAD-supported operations became more complex and larger in size.



IFAD is yet to adopt a budget system to capture the full costs of field presence and transparently reflect in its budget documents phased cost estimate of decentralization



Given the zero real growth administrative budgets, tradeoffs necessary to implement the decentralization efforts need to be identified and discussed

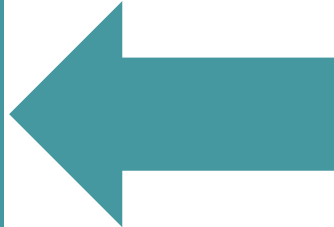


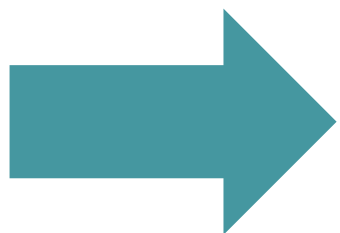
Fit-for-purpose of country presence: Human resources allocation did not adequately reflect the lessons from past experience.

- 60% of the respondents disagreed that the numbers, grade, and expertise of staff matched the fundamental responsibilities of ICOs

The accelerated decentralization was top-down, not fully responsive to the core concerns of staff, and did not allow sufficient time for effective reflection and improvement

61% disagreed that adaptive management and learning were used to identify, manage and mitigate problems and risks





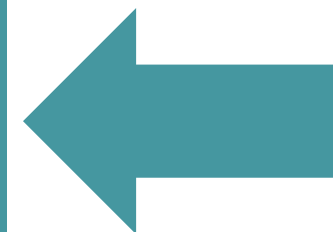
The reassignment process was identified as disruptive and not well-planned

2019 Lessons Learned Exercise, Decentralization Working Group; 2021 Staff Engagement and Workplace Culture Action Plan Survey; CLE E-Survey; all Case Studies

Accelerated decentralization adversely impacted staff morale

E-Survey 87% found reassignment to be detrimental | 2022 Global Staff

Survey 25% agreed that decentralization had a positive impact on their motivation and engagement



Board's role to provide strategic guidance was hindered by the absence of holistic, transparent reporting that entails:

The progress in achieving key, strategic metrics to track decentralization progress.

Discussion of trade-offs in the context of zero-real budget increases & efficiency gains.

A budget that is transparently reflected the full cost of decentralization agenda.

Focused reports to address and resolve strategic problems discussed at the Board.

Recommendations

- 1** Take-stock of experience, identify and address shortfalls and apply adaptive learning processes to inform future decentralization actions.
- 2** Ensure that the budget and accounting system identifies and tracks the costs of decentralization, to proactively manage any necessary trade-offs in the context of a zero real growth budget.
- 3** Ensure that adequate share of IFAD's administrative budget is allocated to country programme design, implementation and non-lending activities, with a clear target.
- 4** Address the limitations of human resource management to achieve better development outcomes, through greater consideration of the impact on IFAD operations.
- 5** Ensure that human resource management, policies and practices focus on improving the well-being of staff.
- 6** Strengthen Executive Board's strategic oversight and guidance for decentralization and subsequent organizational transformations.