

IOE



Investing in rural people

Independent Office of Evaluation



Presentation
ECG Webinar

Evaluating Organizational Setups: *Lessons from IOE Corporate Level Evaluation of IFAD's Decentralization Experience*

18 March 2024

- IFAD began decentralizing since 2004
- 15 country offices were set up by 2016 & 18% of staff out posted



Decided to step up the pace in 2016.
45% of staff were to be outposted and
40 ICOs to be established by 2024

Rationale:

Given the pace and magnitude of the changes introduced, the Board wanted a follow-up to the 2015 CLE to learn lessons and ensure corrective action.



Scope:

Assess the claim that decentralization strengthened IFAD's development effectiveness*.

Assess the effectiveness, efficiency and coherence of organizational changes (2015-2022) to achieve this.



Sources of 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)



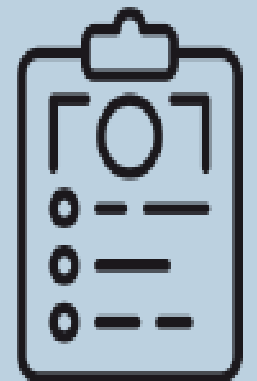
Econometric analysis of portfolio:

588

projects



responses from staff and stakeholders





Assessing the contribution of decentralization to Development Effectiveness

Multivariate analysis found the contribution to be inconclusive -

- Existing practice was to compare project performance with and without country offices – Necessary but not sufficient

Relied on qualitative analysis from country case studies

- Understanding the conditions under which ICOs are likely to improve development effectiveness

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 Areas of Findings (/ Recommendations)

1
...

Inadequate time made available to **institute** adaptive management and learning

2
...

Budget reporting did not track the actual costs of decentralization and provide transparent reporting of the full cost of decentralization

3
...

The need to reverse the decline of available resources for core client services.

4
...

IFAD increased the number of outposted staff without sufficient attention to ensure fit-for-purpose country offices

5
...

The absence of critical metrics of progress of decentralization and fragmented reporting limited the ability of the Board to exercise oversight .

6
...

Staff well-being was a stated priority; yet weak coherence of implementation efforts resulted in weakening of staff morale and well-being.

Immediate reaction (2023 April)

Given the sensitivity of the evaluation, to improve buy-in, IOE undertook sustained engagement with the management throughout the evaluation process (design to reporting)- e.g. Core Learning Partnership Group

Enthusiastic support from staff and middle management.
Senior Management took a different stance



Longer term reaction:

By November 2023, when IOE held an organization-wide learning event, the Management has pledged to implement all recommendations and outlined the actions already underway.



Thank You

