



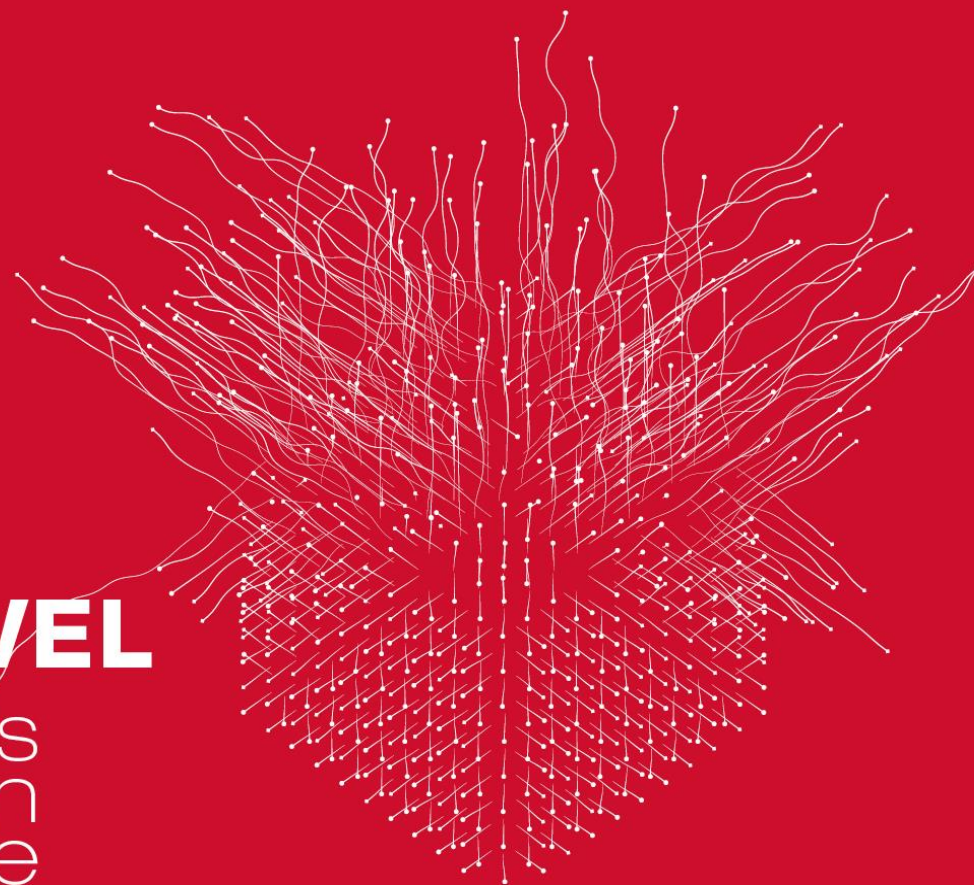
Independent Office of Evaluation



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CORPORATE-LEVEL EVALUATION

IFAD's
decentralization
experience



LEARNING
EVENT

Corporate Level Evaluation of IFAD's Decentralization Experience 2023

07 November 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 was available for effective adaptive management and learning.

Rationale for the ROs and MCOs were 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%

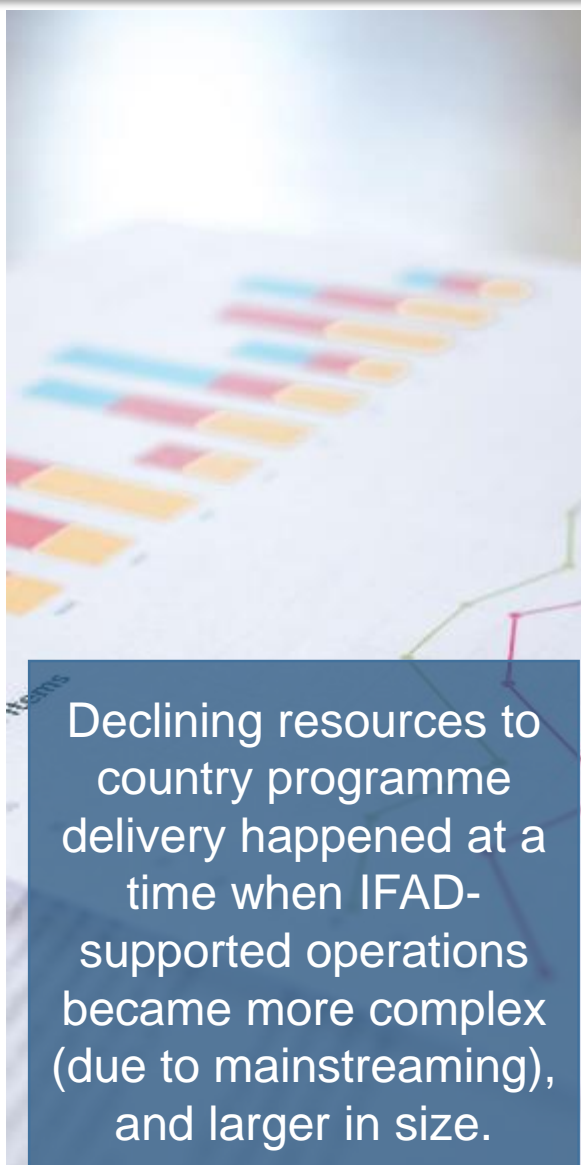
Source: IOE Estimates from IFAD budget documents

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 (due to mainstreaming), 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 the phased cost estimate of decentralization



Given the zero real growth administrative budgets, tradeoffs necessary to implement the decentralization efforts were not anticipated and discussed

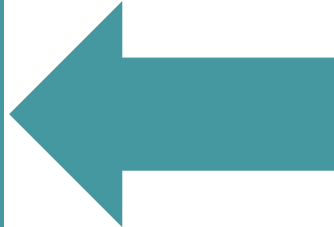


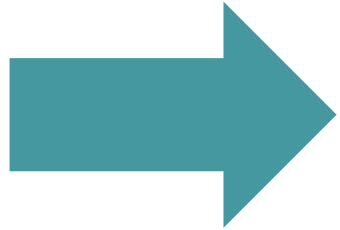
Fit-for-purpose country presence: Human resources allocation did not adequately reflect the lessons from earlier decentralization experience.

- All case studies; 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

All case studies; 61% of respondents disagreed that adaptive management and learning were used to identify, manage and mitigate problems and risks



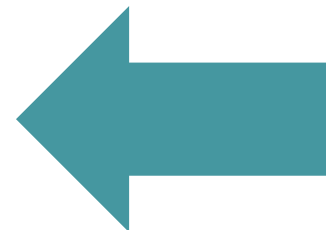


The reassignment process was identified as disruptive and not well-planned

All case studies, staff interviews, surveys (2019 Lessons Learned Exercise, Decentralization Working Group; 2021 Staff Engagement and Workplace Culture Action Plan Survey; CLE E-Survey)

Accelerated decentralization adversely impacted staff morale

Case studies, 87% of the CLE-E survey respondents found reassignment to be detrimental | 2022 Global Staff Survey: only 25% found 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 included:

Identifying key strategic metrics of decentralization and tracking their progress.

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

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

Reports addressing and resolving the 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.