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Ouvrer pour que les
populations rurales pauvres
se libèrent de la pauvreté

Évaluation au niveau de l'institution de l'efficacité du FIDA et de l'efficacité des opérations qu'il finance

Note pour les représentants au Conseil d'administration

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Sigles et acronymes

BAfD	Banque africaine de développement
BAsD	Banque asiatique de développement
BID	Banque interaméricaine de développement
COSOP	Programme d'options stratégiques pour le pays
CPP	Chargé de programme de pays
E EI	Évaluation externe indépendante
ENI	Évaluation au niveau de l'institution
FAO	Organisation des Nations Unies pour l'alimentation et l'agriculture
ICT	Division des technologies de l'information et des communications
IFI	Institution financière internationale
IOE	Bureau indépendant de l'évaluation du FIDA
OCED	Organisation de coopération et de développement économiques
PMD	Département gestion des programmes
RARI	Rapport annuel sur les résultats et l'impact des opérations du FIDA
RIDE	Rapport sur l'efficacité du FIDA en matière de développement
SYGRI	Système de gestion des résultats et de l'impact
S&E	Suivi-évaluation
TIC	Technologies de l'information et des communications

PREMIÈRE PARTIE – SYNTHÈSE

I. Introduction

1. **Généralités** (page 42)¹. La direction et les organes directeurs du FIDA ont toujours eu à cœur de renforcer l'efficacité de l'organisation. Cette préoccupation a pris de l'acuité à la suite de la crise économique et financière mondiale de 2008 et des difficultés budgétaires qu'elle a entraînées, auxquelles de nombreux pays membres du FIDA sont aujourd'hui confrontés.
2. L'efficacité était le thème principal de l'édition 2010 du Rapport annuel sur les résultats et l'impact des opérations du FIDA (RARI) établi par le Bureau indépendant de l'évaluation du FIDA (IOE). Un document thématique² a été rédigé afin de servir de référence à l'atelier interne organisé en 2010 sur le thème de l'efficacité à l'intention de la direction et du personnel.
3. À l'issue de discussions avec la direction et le Comité de l'évaluation, le Conseil d'administration a invité l'IOE à conduire une évaluation au niveau de l'institution (ENI) portant sur l'efficacité du FIDA. Le projet de document d'orientation³ de l'évaluation a été examiné au Comité de l'évaluation à sa soixante-sixième session, tenue en mars 2011. En septembre 2011, une équipe de consultants⁴ a été recrutée en application des directives et procédures de passation des marchés en vigueur au FIDA. Dès le départ, les objectifs, la portée et le champ de cette évaluation ont été convenus dans leurs grandes lignes avec la direction du FIDA et le Comité de l'évaluation.
4. C'est la première fois qu'une évaluation de cette nature est effectuée au sein d'une organisation multilatérale ou bilatérale de développement. Il pourrait bien s'agir du type d'évaluation le plus complexe et le plus ambitieux auquel l'IOE ait jamais procédé. C'est pourquoi cette évaluation présentait des enjeux méthodologiques complexes. Les évaluateurs ont pris soin de solliciter le plus de réactions possible auprès de la direction et du personnel, mais aussi des représentants des États membres, aussi bien à Rome que dans les pays. Il convient de rendre hommage au Président et aux organes directeurs du FIDA pour le soutien qu'ils ont apporté à cette entreprise.
5. **La synthèse.** Cette synthèse présente les principales constatations à retenir de l'évaluation. Elle donne un aperçu des résultats importants qui ont été obtenus et des domaines où des difficultés subsistent et sur lesquels le Fonds et ses organes directeurs doivent concentrer l'attention afin d'améliorer l'efficacité institutionnelle du FIDA et celle de ses projets et programmes.
6. La présente synthèse comprend quatre parties. La section I, l'introduction, présente succinctement le contexte, l'objet et la structure de la synthèse. Elle propose aussi une description des fondements conceptuels de l'évaluation et en présente les objectifs, la méthodologie et le déroulement. La section II évoque les mesures prises par la direction pour renforcer l'efficacité à la suite de l'Évaluation externe indépendante (EEI) du FIDA réalisée en 2005⁵. La section III présente les principales constatations, tandis que la section IV récapitule les principales conclusions et recommandations. Cette synthèse forme un tout, mais les données

¹ Chaque grande partie de la présente synthèse renvoie à la section du corps du rapport d'évaluation dans laquelle le lecteur pourra trouver des précisions et des informations complémentaires sur le même sujet.

² Document thématique disponible à l'adresse: www.ifad.org/evaluation/arri/issues/2010/efficiency.pdf.

³ Document d'orientation disponible à l'adresse: www.ifad.org/qbdocs/eb/ec/e/55/e/index.htm.

⁴ La liste des consultants se trouve en pièce jointe I.

⁵ Rapport de l'EEI disponible à l'adresse: www.ifad.org/qbdocs/eb/84/f/EB-2005-84-R-2-REV-1.pdf.

et les éléments probants sur lesquels elle se fonde sont présentés dans le corps du rapport d'évaluation et dans les documents de travail⁶.

7. **Fondements conceptuels** (page 44). Le Comité d'aide au développement de l'Organisation de coopération et de développement économiques (CAD-OCDE) donne la définition suivante de l'efficacité: "mesure dans laquelle les ressources (fonds, expertise, temps, etc.) sont converties en résultats de façon économe". Le FIDA a adopté cette définition⁷, de même que les unités d'évaluation de nombreuses banques multilatérales de développement.
8. Selon le contexte, les résultats et les indicateurs de mesure de l'efficacité qui s'y rapportent peuvent concerner les produits, les effets ou les impacts. Ces trois niveaux d'efficacité présentent un intérêt. Si, dans le cas présent, l'accent est mis sur les impacts, et en particulier leur élargissement, les autres dimensions sont également importantes; en effet, c'est sur ces aspects que le FIDA a le plus pris, et il n'est pas rare qu'ils ouvrent la voie à l'obtention d'un impact et en conditionnent la pérennisation. Bien que ces différents niveaux d'efficacité aillent généralement de pair, il faut parfois arbitrer, dans certains cas, entre la recherche d'un niveau d'efficacité élevé en ce qui concerne les produits et les effets et l'obtention de résultats satisfaisants ou très satisfaisants sur le plan de l'impact et de la durabilité.
9. L'un des principes conceptuels de cette ENI consiste à distinguer, dans l'efficacité du FIDA, entre efficacité des programmes et efficacité institutionnelle. L'efficacité des programmes⁸ correspond au degré d'efficacité avec lequel le FIDA mobilise ses instruments de financement (c'est-à-dire avant tout son programme de prêts et de dons) et ses activités autres que les prêts – gestion des savoirs, développement des partenariats et concertation sur les politiques publiques – au service de l'obtention d'effets et d'impacts en matière de développement au sein des pays membres. Elle recouvre non seulement l'impact direct, mais aussi les impacts découlant de la reproduction à plus grande échelle, autrement dit les impacts élargis, qui dépendent en partie des actions complémentaires menées par les bénéficiaires et partenaires du FIDA.
10. L'efficacité institutionnelle correspond au degré d'efficacité avec lequel le FIDA utilise le budget administratif pour exécuter et gérer ses programmes de développement. Par exemple, le degré d'efficacité avec lequel il organise et utilise l'ensemble de ses ressources humaines a des répercussions sur l'exécution des programmes appuyés par le FIDA dans les pays bénéficiaires. En sa qualité de premier interlocuteur des bénéficiaires du FIDA, le Département gestion des programmes (PMD) est au cœur de l'efficacité institutionnelle. Les fonctions de contrôle et d'appui du FIDA, de même que ses services de gestion des résultats, du personnel et des ressources budgétaires sont également des facteurs déterminants pour l'efficacité institutionnelle. L'efficacité des mécanismes de décision et le rôle de contrôle et d'orientation exercé par les organes directeurs du FIDA jouent un rôle prépondérant.
11. **Contexte** (section II, pages 47-48). Il est important de mettre en relief quelques-unes des principales caractéristiques du contexte d'ensemble. Premièrement, la mission assignée au FIDA est spécifique: il s'agit d'appuyer le

⁶ Un certain nombre de documents de travail ont été rédigés sur les différents sujets abordés dans l'ENI, et notamment sur les thèmes suivants: i) Opérations du FIDA; ii) Gestion des programmes; iii) Gestion du personnel; iv) Technologies de l'information et des communications; v) Gestion des résultats et des budgets; vi) Procédures juridiques; vii) Contrôle et appui; viii) Organisation et prise de décisions; ix) Organes directeurs; et x) Cinq études de cas de pays. En application de la Politique du FIDA en matière d'évaluation et de sa politique en matière de diffusion des documents et dans un souci de transparence, l'IOE a l'intention de rendre publics les documents de travail énumérés ci-dessus dès qu'ils auront été mis en forme conformément aux règles éditoriales en vigueur au FIDA.

⁷ Se référer au Manuel de l'évaluation, disponible à l'adresse:

http://www.ifad.org/evaluation/process_methodology/doc/manual_f.pdf.

⁸ L'efficacité des projets est une sous-catégorie de l'efficacité des programmes.

développement de la petite agriculture dans les zones rurales reculées où les infrastructures et les institutions font défaut, où l'accès aux marchés est difficile et où les services qui concourent au développement sont insuffisants. Cette spécificité n'est pas sans incidences sur l'efficacité des programmes. Deuxièmement, le FIDA est une organisation hybride qui combine les caractéristiques d'une institution spécialisée des Nations Unies (et en tant que telle il a choisi d'adopter les principales caractéristiques arrêtées par la Commission de la fonction publique internationale) et celles des banques multilatérales de développement en ce qui concerne le modèle opérationnel⁹ et la structure de gouvernance¹⁰. Troisièmement, aux termes de son mandat, le FIDA doit intervenir dans toutes les régions, et les ressources financières dont il dispose sont modestes – aussi bien en comparaison de celles des banques multilatérales de développement qu'en considération de la difficulté et de la diversité des défis qu'il s'attache à relever en matière de développement¹¹.

12. En raison de ces caractéristiques du contexte, le Fonds n'est pas en mesure de bénéficier des mêmes économies d'échelle que les autres banques multilatérales de développement, en particulier en ce qui concerne les dépenses d'administration. Au surplus, l'élargissement de l'impact des opérations du FIDA – particulièrement en associant à son action d'autres intervenants, notamment les gouvernements, le secteur privé et les autres institutions multilatérales et bilatérales – est essentielle pour permettre au Fonds d'obtenir un impact plus large sur la pauvreté rurale et améliorer l'efficacité avec laquelle il contribue à engendrer ces effets. Cependant, pour parvenir à ce résultat, il conviendrait de miser en priorité sur le développement des partenariats, et il faudrait que le FIDA produise un grand nombre d'innovations rurales aussi fructueuses que créatives et prometteuses afin que les autres intervenants n'aient plus qu'à les reproduire à plus grande échelle. Par conséquent, la nécessité que le FIDA soit très performant dans son rôle de pépinière de changements fructueux est au cœur de l'élargissement de l'impact. Toutefois, cet impératif ne va pas sans risques.
13. En principe, comme le préconise le mandat de la présente évaluation, l'efficacité institutionnelle du FIDA doit être évaluée en comparaison de la performance d'autres institutions de développement en matière d'efficacité. Cependant, même en mettant de côté les différences de mandat opérationnel et de taille, il est très difficile d'évaluer le FIDA en le comparant aux autres institutions financières internationales (IFI) ou institutions de développement. Chaque institution rend compte des dépenses d'administration à sa manière, les coûts sont fonction de la situation géographique, et la gamme de services qu'elles fournissent aux pays en développement est extrêmement variable. Cela étant, d'après un certain nombre d'évaluations de la performance comparée des institutions de développement et programmes bilatéraux, le FIDA est bien classé au regard de plusieurs paramètres (par exemple l'utilisation des systèmes nationaux de passation des marchés et de gestion financière), mais il obtient des résultats inférieurs à la moyenne pour les indicateurs d'efficacité ayant trait aux dépenses d'administration et aux frais généraux.
14. **Difficultés et limites** (section I, pages 46-48). C'est la première fois qu'une institution internationale conduit une évaluation de ce type, ce qui explique que très peu de données aient été publiées sur l'efficacité des projets. L'équipe d'évaluation n'a pu recueillir d'informations que pour la Banque mondiale, la Banque asiatique de développement (BAsD) et la Banque africaine de

⁹ Par exemple, la majeure partie des activités de développement menées par le FIDA sont financées au moyen de prêts et non de dons.

¹⁰ Par exemple, contrairement à la pratique de la plupart des institutions spécialisées des Nations Unies, les droits de vote de chaque pays sont déterminés en fonction du niveau des contributions financières qu'il verse au Fonds.

¹¹ Cela étant, d'une certaine façon, le fait de se concentrer sur un seul secteur est également un avantage par rapport aux autres institutions financières internationales (IFI), dont la mission est beaucoup plus large.

développement (BAfD), ce qui n'a pas facilité les comparaisons entre le FIDA et les autres institutions.

15. Les données d'évaluation du FIDA tirées des évaluations indépendantes et des autoévaluations confirment que l'efficacité des projets appuyés par le FIDA figure parmi les critères de performance les moins bien notés, et que la situation ne semble guère s'être améliorée depuis 2006. Cependant, un certain nombre de rapports d'autres organisations ont relevé des faiblesses dans les méthodes d'appréciation de l'efficacité des projets¹². Selon une étude des stratégies de pays menée par la Banque interaméricaine de développement (BID), l'absence de définition claire de la notion d'efficacité en fait une "non-information". Il ressort de l'étude de 25 évaluations réalisées par le Programme des Nations Unies pour le développement (PNUD) que 40% d'entre elles ne comportent aucune analyse de l'efficacité, tandis que sur les 60% restants, l'évaluation est jugée insuffisante ou très insuffisante dans 40% des cas. Une autre étude portant sur 34 évaluations menées par l'Agence suédoise de coopération internationale au développement conclut que seulement 21% d'entre elles ont porté une attention suffisante à l'efficacité.
16. De manière générale, on observe que l'analyse coûts/avantages perd du terrain, aussi bien dans les préévaluations que dans les évaluations. Selon une étude réalisée par la Banque mondiale en 2010¹³, la proportion des opérations d'investissement qui font l'objet d'une analyse de ce type est tombée de près de 70% dans les années 1970 à environ 30% au début des années 2000. La Banque mondiale constate dans l'édition 2009 de l'Examen annuel de l'efficacité du développement que l'analyse économique coûts/avantages "est tombée en désuétude". Il ressort d'une étude de la BID que 8% seulement des projets soumis à une telle analyse ont obtenu une note élevée pour la qualité de l'analyse économique.
17. Les autres obstacles sont notamment les difficultés rencontrées pour recueillir des données concernant les coûts, en particulier les dépenses de personnel réparties entre différents services et activités, pour obtenir les informations nécessaires concernant les opérations et les autres domaines fonctionnels, en partie en raison de l'éparpillement des bases de données, et pour récupérer des documents, surtout lorsqu'ils ont été établis plusieurs années auparavant. Par ailleurs, si le FIDA a mis en place des réformes importantes (par exemple dans le domaine des ressources humaines, du nouveau modèle opérationnel, etc.), celles-ci n'ont pas encore donné leur pleine mesure à l'heure de cette évaluation.
18. Les évolutions significatives de l'efficacité institutionnelle sont tout aussi difficiles à cerner. Au départ, le Fonds a été créé pour financer des projets conçus par d'autres institutions. L'Accord portant création du FIDA ne prévoyait pas la supervision directe, et il n'était pas non plus prévu que le Fonds assure une présence dans les pays ou prenne part à la concertation sur les politiques publiques. Ces dernières années toutefois, le modèle opérationnel s'est radicalement transformé, et le FIDA s'est comporté de plus en plus en organisme de développement à part entière qui finance des projets et des programmes de développement, supervise lui-même les opérations, participe à l'élaboration des politiques et est représenté dans de nombreux États membres. Ces changements récents, qui vont dans le bon sens, impliquent pour l'institution un apprentissage accéléré, des coûts durablement plus élevés et un délai inévitable avant de pouvoir en retirer tous les avantages.

¹² La Division de l'évaluation du Ministère fédéral allemand de la coopération économique et du développement a réalisé une étude portant sur les outils et méthodes d'évaluation de l'efficacité des interventions de développement qui répertorie 17 méthodes utilisables pour évaluer l'efficacité de l'aide au développement, parmi lesquelles les méthodes économétriques, l'analyse coûts/avantages, les avis d'experts et la comparaison des coûts unitaires, entre autres; voir le rapport établi par Marcus Palenberg (décembre 2010).

¹³ Ce rapport peut être consulté à l'adresse : www.worldbank.org/oed.

19. **Objectifs de l'évaluation** (page 47). L'évaluation de l'efficacité poursuit six grands objectifs. Elle a pour objet d'évaluer les aspects suivants:
- i) l'efficacité des programmes du FIDA, y compris les stratégies de pays, les projets, les dons, la concertation sur les politiques publiques et les partenariats, une attention particulière étant portée à l'élargissement de l'impact;
 - ii) l'efficacité institutionnelle de la gestion des programmes du FIDA ainsi que des fonctions de contrôle et d'appui;
 - iii) le rôle des organes directeurs dans l'efficacité institutionnelle du FIDA;
 - iv) les incidences de l'efficacité institutionnelle sur la gestion des résultats, des budgets et du personnel du FIDA; et
 - v) les incidences de la situation des pays bénéficiaires et du fonctionnement des pouvoirs publics, qui influent à la fois sur l'efficacité institutionnelle du FIDA et sur l'efficacité de ses projets et programmes.
20. Le sixième objectif consiste à formuler des recommandations visant à mettre le FIDA en mesure de gagner en efficacité à tous les niveaux et à proposer des indicateurs permettant d'évaluer et de suivre l'efficacité des programmes du FIDA et son efficacité institutionnelle.
21. **Méthodologie** (section I, pages 46-47). Pour cette ENI, 2005 est l'année de référence par rapport à laquelle sont évaluées les réformes appliquées dans le but d'améliorer l'efficacité. En effet, c'est en 2005 qu'IOE a mis la dernière main à l'EEI, dont la publication a conduit la direction à engager une série de réformes. Bien que l'EEI ait concentré l'attention principalement sur l'efficacité et non sur l'efficacité, elle constitue un bon point de départ pour évaluer dans quelle mesure le FIDA a progressé dans ses efforts de réforme. Néanmoins, dans un certain nombre de domaines, l'évaluation de l'efficacité remonte jusqu'à l'an 2000, année au cours de laquelle le Conseil des gouverneurs a approuvé le Programme de reconfiguration des processus¹⁴.
22. L'équipe d'évaluation s'est appuyée sur plusieurs méthodes qualitatives et quantitatives et a utilisé des techniques de triangulation pour dresser un constat. Elle a notamment fait appel à l'étude des documents, l'analyse des données, des entretiens individuels et dans le cadre de groupes de discussion thématiques avec la direction et le personnel du FIDA ainsi qu'avec des représentants du Conseil d'administration, du Comité de l'évaluation et du Comité d'audit, des enquêtes par voie électronique, des visites sur le terrain dans cinq pays d'intervention du FIDA et des échanges avec le personnel d'un certain nombre d'organisations multilatérales de développement.
23. En outre, l'équipe d'évaluation a également exploité les éléments d'évaluation indépendante tirés des rapports publiés par IOE, notamment le Rapport annuel sur les résultats et l'impact des opérations du FIDA (RARI)¹⁵, d'autres ENI (portant par exemple sur la finance rurale, l'innovation et la reproduction à plus grande échelle, l'égalité entre les sexes, le secteur privé, la supervision directe, la présence sur le terrain, l'agriculture en Afrique, etc.) et un certain nombre d'évaluations de programmes de pays. IOE a ainsi été en mesure d'exploiter la masse des données

¹⁴ À la suite d'une évaluation du Programme de reconfiguration des processus effectuée par la direction, ce dernier a été transformé en Programme de transformation stratégique en septembre 2001. Cette décision avait pour objet de s'assurer que la reconfiguration s'articulerait de manière plus étroite avec le Cadre stratégique et d'en élargir le champ au-delà des questions de processus fonctionnels de l'organisation et de technologies de l'information et des communications (TIC).

¹⁵ Le RARI est le rapport phare qu'IOE établit chaque année; il propose une synthèse de la performance des opérations financées par FIDA, des grands enseignements à retirer et des principaux défis que le FIDA et les pays bénéficiaires doivent relever en matière de développement pour obtenir de meilleurs résultats dans la lutte contre la pauvreté rurale. La dernière édition du RARI peut être consultée à l'adresse: <https://webapps.ifad.org/members/eb/107/docs/french/EB-2012-107-R-7.pdf>

recueillies et des conclusions formulées dans le cadre des précédentes évaluations indépendantes afin de compléter et d'étayer l'analyse effectuée dans le cadre de l'évaluation de l'efficacité.

24. Pour résumer, l'évaluation s'appuie sur des sources multiples et diversifiées d'informations, de données et d'éléments factuels primaires et secondaires, y compris des renseignements et des appréciations émanant d'IOE et de son équipe de réputation internationale composée d'experts de différents domaines techniques et de spécialistes de l'évaluation. L'équipe d'évaluation s'est particulièrement attachée à s'assurer que la méthodologie et les processus utilisés soient conformes aux principales dispositions du Manuel de l'évaluation du FIDA et aux normes de bonnes pratiques établies par le Groupe de coopération en matière d'évaluation mis en place par les banques multilatérales de développement, ainsi que les normes et règles fixées par le Groupe des Nations Unies pour l'évaluation.
25. Sur ce point, IOE a utilisé les éléments fondamentaux et les critères reconnus à l'échelle internationale en matière d'évaluation de l'efficacité tels qu'ils sont exposés dans le Manuel de l'évaluation du FIDA. Afin de faciliter la compréhension de certains des principaux termes employés dans ce rapport, il est utile de préciser que la *performance des projets* est un critère composite reposant sur l'appréciation de la pertinence, l'efficacité et l'efficacité des projets. La performance d'un projet ne correspond pas toujours à la *performance du FIDA*, étant donné qu'elle dépend aussi d'autres facteurs (en particulier la performance des pouvoirs publics partenaires ainsi que des facteurs exogènes). La *performance du FIDA*, en revanche, apprécie principalement la contribution apportée par le Fonds en matière de conception, de supervision et d'appui à l'exécution du projet, ainsi que les enseignements tirés des précédents examens et évaluations afin de renforcer la conception et l'exécution. Enfin, l'évaluation de l'efficacité a également été en mesure d'analyser la performance des *activités hors prêts* (concertation sur les politiques publiques, gestion des savoirs et développement des partenariats), qui font de plus en plus partie intégrante du modèle d'intervention du FIDA. Depuis 2006, les activités hors prêts sont systématiquement évaluées dans le cadre de chaque évaluation de programme de pays, car il s'agit de l'un des grands critères d'évaluation figurant dans le Manuel de l'évaluation du FIDA validé par le Comité de l'évaluation.
26. **Déroulement, phases et résultats attendus** (pages 46-48). Étant donné la complexité de l'évaluation, et comme le prévoit la Politique du FIDA en matière d'évaluation, IOE s'est assuré les services de deux conseillers indépendants chevronnés¹⁶ afin qu'ils apportent leur contribution à différentes étapes de l'évaluation. Le rapport qu'ils ont établi concernant la qualité du processus d'évaluation et de son contenu sera également mis à la disposition de la direction du FIDA, du Comité de l'évaluation et du Conseil d'administration.
27. L'évaluation a été organisée en quatre grandes phases: i) démarrage de l'évaluation; ii) étude sur dossiers; iii) études de cas de pays et entretiens avec des représentants d'autres organisations comparables; et iv) préparation du rapport final. La phase de démarrage a consisté à affiner la méthodologie d'évaluation et à perfectionner le cadre et les outils de collecte des données en s'appuyant sur le document d'orientation. Le rapport initial était le principal résultat attendu de cette phase¹⁷. Durant la phase d'étude sur dossiers, l'équipe d'évaluation a procédé à l'examen de nombreux documents importants, à des enquêtes par voie électronique, à la collecte et l'analyse de données et à des entretiens individuels et dans le cadre de groupes de discussion thématiques avec la direction et le

¹⁶ Robert Picciotto, ancien Premier Vice-Président et Directeur général du Groupe indépendant d'évaluation de la Banque mondiale, et Richard Manning, ancien Président du Comité d'aide au développement de l'OCDE.

¹⁷ Le rapport initial a été soumis au Comité de l'évaluation à titre de document de référence à sa soixante-quatrième session, tenue en novembre 2012; il est disponible à l'adresse: www.ifad.org/gbdocs/eb/ec/e/74/index.htm.

personnel du FIDA ainsi qu'avec des représentants du Conseil d'administration et du Comité de l'évaluation. Cette phase a permis de produire des documents de travail et un rapport d'étape qui a été transmis à la direction pour qu'elle l'analyse et formule des observations.

28. À la suite de cette phase d'étude sur dossier, cinq études de cas de pays ont été réalisées au Honduras, en Inde, au Mali, en Ouganda et en République-Unie de Tanzanie. Dans la plupart des cas, ce sont des consultants du pays qui s'en sont chargés, encadrés par IOE et son équipe de consultants. Ces études de cas avaient pour objet d'examiner le fonctionnement des pouvoirs publics en relation avec les activités du FIDA et d'appréhender leurs répercussions sur l'efficacité des activités appuyées par le Fonds. Durant cette phase, l'équipe s'est également entretenue avec des représentants d'organisations comparables et a rassemblé des données les concernant afin d'alimenter le rapport final (Banque mondiale, BAFD, BASD, BID et Organisation des Nations Unies pour l'alimentation et l'agriculture [FAO], entre autres).
29. La dernière phase de l'évaluation a consisté à élaborer le projet de rapport final; à cette occasion, IOE a examiné les observations détaillées formulées par la direction à propos du rapport d'étape. Les principales constatations ont été présentées au Comité de l'évaluation à sa session de novembre 2012 et au Conseil d'administration à sa session de décembre 2012, et certains aspects du rapport final ont été remaniés pour tenir compte de leurs observations. Le projet de rapport final a été communiqué à la direction du FIDA en janvier 2013, et les évaluateurs ont tenu compte de ses observations pour établir la version définitive de ce rapport.

II. Mesures prises par la direction pour améliorer l'efficacité (pages 42-44)

30. Pour donner suite aux recommandations issues de l'EEI réalisée en 2005, la direction a mis en place un Plan d'action du FIDA pour améliorer son efficacité en matière de développement¹⁸. Dans les années qui ont suivi l'EEI, les efforts ont porté principalement sur l'amélioration de la pertinence et de l'efficacité des opérations du FIDA plus que sur leur efficacité (par exemple avec la mise en place d'une politique en matière de ciblage et de la supervision directe et l'appui à l'exécution).
31. Cependant, depuis trois ou quatre ans, la direction et les organes directeurs accordent davantage d'attention à l'efficacité, comme le montrent d'importants documents institutionnels tels que le Cadre stratégique du FIDA 2011–2015, qui insiste sur l'intérêt de consacrer une part croissante des ressources du FIDA aux programmes et projets et de rationaliser les processus administratifs. À cet effet, le Cadre stratégique mentionne la nécessité de faire un meilleur usage des technologies de l'information, tant dans les opérations que pour le fonctionnement administratif interne. En outre, le FIDA a lancé en 2009 un programme de changement et de réforme de grande envergure afin de s'attaquer à plusieurs aspects décisifs de manière à améliorer l'efficacité – entre autres – comme la réforme des ressources humaines ou le renforcement de la structure d'organisation du FIDA.
32. Le renforcement de l'efficacité a constitué l'un des principaux thèmes abordés en 2011 lors des consultations de la neuvième reconstitution des ressources du FIDA (FIDA9). Le FIDA a établi un rapport complet sur cette question intitulé "La gestion axée sur l'efficacité au FIDA"¹⁹, que la Consultation a examiné à sa session

¹⁸ Ce plan, approuvé par le Conseil d'administration en décembre 2005, est disponible à la page: <http://www.ifad.org/gbdocs/eb/86/f/EB-2006-86-R-2-REV-2.pdf>.

¹⁹ Ce document est disponible à l'adresse: www.ifad.org/gbdocs/repl/9/iii/f/index.htm.

d'octobre 2011. Les principaux éléments de ce document, accompagnés des contributions des États membres, ont été repris dans le rapport final de la Consultation sur la neuvième reconstitution des ressources du FIDA²⁰.

33. Parmi les autres initiatives prises en 2012 figurent: des mesures destinées à améliorer globalement l'élaboration et l'exécution des budgets ainsi que l'information budgétaire; la mise en chantier, à l'échelle du FIDA, d'un audit des fonctions et d'une planification stratégique pour le personnel; l'élaboration d'un Plan à moyen terme cohérent pour la période de la neuvième reconstitution (2013-2015), et la mise en place de mesures visant à réduire les coûts et à renforcer l'efficacité du fonctionnement des organes directeurs du FIDA (ces mesures ont pour la plupart été approuvées par le Conseil d'administration en décembre 2012). Les autres initiatives en cours sont trop récentes pour faire l'objet d'une évaluation approfondie; on peut citer, par exemple, l'instauration d'un mécanisme de récompense et de reconnaissance, et d'autres mesures qui ont pour but de renforcer la culture de la gestion de la performance au FIDA. Elles sont la preuve que l'institution accorde toute l'importance qu'elle mérite à l'amélioration de l'efficacité.

III. Principales constatations issues de l'évaluation

34. Cette section présente les principales constatations à retenir de l'évaluation de l'efficacité, qui s'appuient sur les éléments contenus dans le corps du rapport sur l'évaluation et les différents documents de travail, ainsi que dans d'autres rapports d'évaluation indépendante établis par IOE. Elle récapitule les constatations concernant l'efficacité du FIDA dans les huit domaines suivants: i) projets et programmes; ii) gestion des programmes; iii) fonctions de contrôle et d'appui; iv) gestion des résultats et des budgets; v) gestion du personnel; vi) structure d'organisation, de direction et de décision; et vii) organes directeurs du FIDA. La dernière partie (viii) de cette section propose une analyse des indicateurs permettant d'apprécier et de suivre l'efficacité des projets et l'efficacité institutionnelle.
35. **Projets et programmes** (pages 47-72). Depuis cinq ou six ans, le programme de travail du FIDA (c'est-à-dire les prêts et dons qu'il accorde, y compris les cofinancements provenant de sources nationales et internationales) s'est considérablement accru²¹, ce qui laisse penser que le Fonds est sur la bonne voie pour concrétiser son ambition de jouer un rôle de tout premier plan dans la réduction de la pauvreté rurale dans toutes les régions.
36. La majeure partie des populations rurales pauvres tirent leur subsistance d'activités en rapport avec l'agriculture. Il ressort des études de cas de pays que les gouvernements, les populations rurales pauvres et les autres partenaires du FIDA au niveau des pays apprécient la priorité que le Fonds accorde aux petits agriculteurs, aux paysans sans terre, aux femmes et aux autres groupes de population marginalisés, entre autres.
37. Les données tirées de l'édition 2012 du RARI indiquent que la performance des projets financés par le FIDA est meilleure que celle des opérations réalisées dans le secteur agricole par la BAsD et la BafD, et fait jeu égal avec celles de la Banque mondiale. Il serait néanmoins possible d'avancer que les opérations du FIDA sont également plus performantes que celles que la Banque mondiale finance dans le secteur agricole, si l'on tient compte du fait que les projets financés par le FIDA sont pour la plupart mis en œuvre dans des zones rurales reculées, qui pâtissent souvent d'infrastructures limitées, d'institutions défaillantes et d'un accès difficile aux services et aux marchés.

²⁰ Voir le document GC 35/L4, disponible à l'adresse: <https://webapps.ifad.org/members/gc/35/docs/french/GC-35-L-4.pdf>.

²¹ Le montant total du programme de travail est passé de 790 millions d'USD 2009 à 1,3 milliard d'USD en 2012.

38. Depuis l'EEI, la performance des projets financés par le FIDA s'est considérablement améliorée au regard de la plupart des critères d'évaluation. Cela étant, les données tirées des évaluations indépendantes indiquent que certains des objectifs chiffrés arrêtés pour la période de la huitième reconstitution (IFAD8) n'ont pas été atteints²². En particulier, l'efficacité des projets n'est manifestement pas à la hauteur. L'objectif chiffré arrêté dans le Cadre de mesure des résultats de 2012 était que l'efficacité soit jugée plutôt satisfaisante ou mieux pour 75% des projets achevés. Or ce n'est le cas que pour 55% des projets évalués entre 2009 et 2011.
39. De fait, l'efficacité des projets figure parmi les critères d'évaluation pour lesquels la performance est la plus faible. Parmi les aspects problématiques qui pèsent sur l'efficacité des projets figurent les failles dans la conception des projets, notamment la trop grande complexité et le manque de préparation de l'exécution, des dispositifs de suivi et d'évaluation insuffisants, ce qui compromet la détection précoce de problèmes qui n'avaient pas été prévus, et le manque de réactivité face aux difficultés qui se présentent en cours de mise en œuvre. Il y a toutefois lieu de noter que les progrès récemment constatés sur le plan de la performance du FIDA proprement dit en sa qualité de partenaire (voir l'édition 2012 du RARI) pourraient entraîner à terme une amélioration de l'efficacité des projets, étant donné que la performance du FIDA est un facteur qui intervient pour beaucoup sur ce plan (l'autre facteur déterminant étant la performance des pouvoirs publics).
40. L'attention insuffisante portée à l'efficacité des projets pose problème. Or, elle résulte d'un éventail de compétences trop restreint au sein des équipes, et reflète la nécessité que le personnel et les responsables appréhendent mieux la contribution que l'analyse économique est susceptible d'apporter afin d'améliorer la conception des projets. La nomination, en janvier 2011, à la Division des politiques et du conseil technique d'un conseiller à temps plein chargé d'améliorer l'analyse économique et financière des projets appuyés par le FIDA est un pas dans la bonne direction, mais il faudra du temps avant que cette décision ne porte pleinement ses fruits.
41. Par ailleurs, l'analyse des données tirées d'évaluations indépendantes concernant l'efficacité et la performance des projets fait apparaître les points suivants: i) la performance varie en fonction de la situation du pays (cette variation apparaît, par exemple, si les données sont ventilées en fonction de l'indice d'évaluation des politiques et institutions nationales établi par la Banque mondiale). Pour être plus précis, la performance est moins bonne dans les États fragiles et en Afrique subsaharienne que dans d'autres catégories de pays (pays à revenu intermédiaire) et d'autres régions (Asie et Pacifique par exemple); ii) dans un grand nombre de cas, la performance du projet est jugée plutôt satisfaisante²³ pour la plupart des critères d'évaluation. Plus précisément, seulement un quart environ des projets évalués étaient jugés satisfaisants ou très satisfaisants sur le plan de l'efficacité; iii) les projets dont l'efficacité est jugée satisfaisante ou très satisfaisante obtiennent aussi un meilleur résultat global²⁴ et des scores plus élevés pour les critères de durabilité et de reproduction à plus grande échelle; et iv) comme il a déjà été mentionné, les notes attribuées à l'efficacité des projets sont en corrélation étroite avec les notes évaluant la performance du FIDA proprement dit, ce qui laisse à penser que la qualité du travail du FIDA a une incidence sur l'efficacité et les effets d'un projet.

²² Le Rapport sur l'efficacité du FIDA en matière de développement (RIDE) contient également des informations sur la performance au regard des objectifs arrêtés au titre de la huitième reconstitution des ressources du FIDA (FIDA8). Cependant, ce rapport repose en grande partie sur des données issues d'autoévaluations.

²³ Le FIDA a adopté une échelle de notation sur 6 points, 1 étant la note la plus basse et 6 la note la plus élevée (1 - très insuffisant; 2 - insuffisant; 3 - plutôt insuffisant; 4 - plutôt satisfaisant; 5 - satisfaisant; et 6 - très satisfaisant.).

²⁴ Le résultat global d'un projet est un critère composite reposant sur l'appréciation du projet sous l'angle de la pertinence, l'efficacité, l'efficacité, l'impact sur la pauvreté rurale, l'innovation et la reproduction à plus grande échelle, la durabilité, l'égalité des sexes et l'autonomisation des femmes.

42. Ce constat met en évidence la nécessité que le FIDA "mette la barre plus haut" en ce qui concerne sa propre performance, de manière à favoriser l'amélioration de l'efficacité des projets auxquels il apporte son concours. Les projets jugés satisfaisants ou très satisfaisants ont plus de chances d'être reproduits à plus grande échelle par les partenaires, obtenant dès lors un impact plus large sur la pauvreté rurale. Bien que ces dernières années la performance du FIDA proprement dit se soit considérablement améliorée (voir l'édition 2012 du RARI), les données provenant des évaluations indépendantes et des autoévaluations indiquent qu'elle est satisfaisante ou mieux pour moins de la moitié des projets.
43. Pour que le FIDA devienne un pôle d'excellence mondial en matière de développement de la petite agriculture, il est essentiel que la *performance du FIDA* soit satisfaisante ou mieux pour une proportion plus importante de projets et que le Fonds s'attache davantage à expérimenter et mûrir des solutions techniques et institutionnelles créatives et innovantes permettant de répondre aux innombrables problèmes auxquels les populations rurales pauvres sont confrontées. Le FIDA peut être à la hauteur de cette ambition dans l'avenir, à condition d'intensifier les réformes institutionnelles en cours. L'amélioration de la performance aidera également le FIDA à honorer l'engagement qu'il a souscrit, qui consiste à tirer 80 millions de personnes de la pauvreté d'ici à la fin de 2015.
44. En ce qui concerne les programmes de pays, le FIDA a amorcé une transition importante puisqu'il n'accorde désormais plus la priorité au financement de projets d'investissement isolés et s'oriente vers une approche plus intégrée privilégiant la programmation à l'échelle d'un pays, une plus grande attention étant portée aux activités hors prêts (concertation sur les politiques publiques, gestion des savoirs et développement de partenariats) afin de favoriser la reproduction à plus grande échelle. L'objectif est de faire en sorte que l'éventail diversifié d'activités du FIDA concoure à l'amélioration des résultats obtenus dans la lutte contre la pauvreté rurale à l'échelle nationale. La mise en place de programmes d'options stratégiques pour le pays (COSOP) axés sur les résultats et les processus qui l'accompagnent font partie de cette démarche intégrée.
45. Cinq grands problèmes pèsent sur l'efficacité et la performance du FIDA, aussi bien au niveau des projets qu'à celui des programmes de pays. Premièrement, étant donné la diversité des publics auxquels il vient en aide et le fait que l'assistance qu'il apporte est impulsée par la demande, le FIDA doit pouvoir puiser dans un assortiment de solutions relativement large de manière à pouvoir répondre aux besoins de ses États membres. Cela étant, cette situation a conduit le FIDA à ne pas se montrer suffisamment **sélectif dans le choix des thèmes** d'intervention et à mener des opérations dans un éventail trop large de sous-secteurs. Le FIDA intervient dans une quinzaine de sous-secteurs, et le suivi et les rapports portent sur plus de 60 domaines de résultats. Dans plusieurs de ces domaines, l'analyse montre que le montant total du concours financier apporté par le FIDA entre 2001 et 2010 est inférieur à 25 millions d'USD pour chacun d'eux. C'est une somme trop réduite pour accumuler le savoir-faire nécessaire et atteindre une masse critique de compétences techniques dans les domaines concernés.
46. Le FIDA se disperse trop, particulièrement compte tenu de l'évolution des priorités qui conduit à privilégier les partenariats avec le secteur privé, l'intensification de la participation à la concertation au niveau des pays et la reproduction à plus grande échelle. Il convient par conséquent de se montrer plus sélectif dans le choix des thématiques afin de renforcer l'efficacité et l'efficacité, et de mettre en place des partenariats constructifs traduisant une répartition des tâches plus explicite qui permettrait au FIDA d'atteindre la masse critique de savoir-faire nécessaire dans les domaines qui présentent le plus d'intérêt pour les populations auxquelles il s'adresse.

47. Deuxièmement, le **choix des pays d'intervention** est un sujet qui mérite également l'attention. Se montrer sélectif dans le choix des pays peut permettre au FIDA de renforcer l'efficacité institutionnelle. Toutefois, il faudra veiller avec le plus grand soin à concilier cet objectif avec le mandat du FIDA, qui a pour mission d'intervenir dans toutes les régions. En outre, si le système d'allocation fondé sur la performance (SAFP) reflète de manière satisfaisante l'accent mis sur la lutte contre la pauvreté, il pourrait correspondre plus étroitement avec la priorité que le FIDA accorde à la reproduction à plus grande échelle. En particulier, on pourrait raisonnablement s'attendre à ce que les pays à revenu intermédiaire supportent une part plus importante des coûts, ce qui augmenterait le volume global du programme de prêts et dons et libérerait des ressources en faveur des pays les plus pauvres. Les données tirées des évaluations effectuées par IOE indiquent que cela n'a pas toujours été le cas jusqu'ici²⁵.
48. De surcroît, le modèle d'intervention du FIDA ne prend pas toujours suffisamment en considération les différences dans la situation des pays. Le FIDA intervient dans des pays dont les situations sont extrêmement disparates (pays à revenu intermédiaire, États fragiles, pays à faible revenu, pays enclavés, petits États insulaires, etc.). Leurs besoins et leurs attentes à l'égard du FIDA ne sont pas les mêmes.
49. Or, les objectifs stratégiques et les activités de développement présentés dans les COSOP sont généralement analogues, de même que les budgets administratifs servant à financer les travaux d'analyse, l'élaboration des COSOP, la conception, la supervision et l'appui à l'exécution des projets, la présence dans les pays et les activités hors prêts. Ils ne sont pas suffisamment différenciés en fonction des disparités entre les ressources humaines disponibles ou les capacités institutionnelles des différents pays, ou du niveau de prise en charge nationale des priorités arrêtées par le FIDA pour lutter contre la pauvreté rurale. On pourrait ainsi s'attendre à ce que les activités du FIDA dans les pays à revenu intermédiaire mettent l'accent sur le partage des savoirs. Dans les pays où la performance du portefeuille est particulièrement médiocre (par exemple, dans les États fragiles), il faudrait affecter une part plus importante du budget à l'appui à l'exécution. Lorsque les politiques économiques et sociales privilégient les zones urbaines, il est possible de mettre l'accent sur la concertation. De fait, la nécessité de moduler davantage les démarches adoptées a déjà été soulignée à plusieurs reprises dans les RARI.
50. Troisièmement, outre la nécessité de se montrer plus sélectif dans le choix des thématiques et des pays et d'adapter les activités en fonction de la situation, le FIDA pourrait se montrer plus **sélectif dans le choix des stratégies**. Il faut en particulier que le FIDA s'emploie activement à nouer des partenariats stratégiques dans les pays dont le montant de l'allocation SAFP est très faible, et qu'il ne privilégie pas les opérations isolées dans ces circonstances. De fait, dans la période de la huitième reconstitution, quelque 30 pays ont eu une allocation d'un montant inférieur ou égal à 5 millions d'USD sur une période de trois ans (de 2010 à 2012). Compte tenu des frais fixes inhérents au cycle des projets du FIDA, en se montrant plus sélectif dans le choix des stratégies, le FIDA pourrait améliorer la qualité des relations avec les emprunteurs et l'efficacité institutionnelle.
51. Quatrièmement, le FIDA devrait se montrer plus **sélectif dans le choix des instruments** afin d'en retirer les avantages. Cette évaluation confirme le diagnostic établi à l'occasion de plusieurs évaluations antérieures²⁶, dont il ressort que la programmation par pays ne retire pas encore les bénéfices de l'intégration des différents services et activités que le FIDA finance dans un pays donné. Les

²⁵ Par exemple, l'historique des financements de contrepartie apportés par l'Indonésie montre que leur montant s'établit à environ 13% du coût total des projets, contre 28% au Bénin et 27% en Érythrée (RARI 2010).

²⁶ Par exemple, l'Évaluation conjointe sur le développement agricole et rural en Afrique réalisée avec la BaFD (2010).

liens ténus entre les dons et les projets financés par un prêt, ainsi que les synergies insuffisantes entre les différents projets du portefeuille et entre les opérations d'investissement et les autres activités (partenariats, concertation et gestion des savoirs), limitent l'impact global des programmes de pays du FIDA. Lorsque les ressources sont limitées, il faut mettre la concertation, la gestion des savoirs et les partenariats au service de la reproduction à plus grande échelle des opérations qui ont porté leurs fruits au sein des pays, plutôt que de considérer ces trois activités comme une fin en soi. Dans ce contexte, il ne s'agit pas de nouveaux mandats, mais d'un moyen de s'acquitter du mandat essentiel du FIDA qui consiste à obtenir un impact plus large. Cela devrait se traduire à terme par un renforcement de l'efficacité institutionnelle et une amélioration de l'efficacité en matière de développement.

52. Le programme de dons du FIDA est un outil essentiel pour atteindre les objectifs d'ensemble du Fonds. Toutefois, les résultats obtenus ne sont pas encore à la hauteur des potentialités. L'articulation entre le programme de dons et les stratégies de pays arrêtées dans les COSOP n'est pas suffisamment solide, et les dons n'épaulent pas les pays dans la préparation des projets et le renforcement des capacités, un diagnostic qui rejoint les constats établis dans les évaluations de programmes de pays réalisées par IOE²⁷. Le suivi et la supervision du programme de dons a toujours été un point faible, de même que la diffusion des résultats des activités financées par des dons, ce qui limite les possibilités d'apprentissage à l'échelle de l'organisation²⁸.
53. Le Fonds prend de plus en plus conscience que la gestion des savoirs est un élément essentiel pour améliorer l'efficacité en matière de développement. Les résultats obtenus pour ce critère font apparaître une amélioration très sensible, puisque la proportion de programmes de pays jugés plutôt satisfaisants ou mieux est passée d'environ 10% dans la période 2006-2008 à environ 70% dans la période 2009-2011. Toutefois, des progrès sont encore possibles, car le montant des ressources affectées jusqu'ici à la gestion des savoirs est relativement faible, les possibilités d'échanger les savoirs entre chargés de programme de pays (CPP) dans un cadre structuré sont limitées, et il est possible d'intensifier davantage les efforts visant à tirer les leçons des échecs.
54. Cinquièmement, les études de cas de pays ont mis en évidence le fait que la **performance des pouvoirs publics** est l'un des principaux facteurs qui influent sur l'efficacité et la performance d'ensemble des programmes et projets financés par le FIDA. Ce constat est important étant donné que les opérations du FIDA sont mises en œuvre par les administrations et d'autres partenaires nationaux. Si la performance des pouvoirs publics est satisfaisante dans certains pays, les procédures administratives sont lourdes (par exemple, pour le déblocage de fonds de contrepartie ou l'approbation d'un nouveau prêt du FIDA), tandis que les ressources humaines et les capacités institutionnelles sont dans l'ensemble insuffisantes (par exemple pour la préparation et le suivi-évaluation des projets). Ce problème est encore plus aigu aux échelons inférieurs de l'administration²⁹, en particulier dans les États fragiles et les pays à faible revenu où le FIDA intervient. Il ressort de l'évaluation que le FIDA n'a pas déployé suffisamment d'efforts par le passé en matière de renforcement des capacités, par exemple en accordant des dons pour financer une assistance technique à la préparation, l'exécution et la reproduction à plus grande échelle des projets appuyés par le FIDA. À cet égard, l'édition 2012 du RARI, à l'instar des éditions précédentes et de l'évaluation

²⁷ Voir, par exemple, l'évaluation du programme de pays du Kenya réalisée en 2011.

²⁸ La direction du FIDA a investi dans une nouvelle base de données qu'elle s'apprête à lancer, qui rassemblera les informations essentielles concernant l'ensemble des dons. Cela facilitera, entre autres, l'obtention des données et l'analyse du portefeuille de dons.

²⁹ Au niveau des États, des provinces et des districts..

conjointe des activités en Afrique (voir la note 26), insiste sur la nécessité que le FIDA redouble d'efforts pour renforcer la performance des pouvoirs publics dans le secteur agricole.

55. Dernier aspect et non des moindres, l'innovation et la reproduction à plus grande échelle sont décisives pour la mission du FIDA. Sur ce plan, le FIDA a consenti ces dix dernières années des investissements considérables en faveur des innovations en matière de renforcement des institutions, d'égalité des sexes et d'autonomisation des femmes et d'approches participatives, mais c'est moins vrai en ce qui concerne les techniques agricoles utiles aux pauvres. On trouve des exemples d'innovations couronnées de succès que d'autres intervenants ont reproduites à plus grande échelle, mais dans le passé cette démarche n'a pas été systématiquement appliquée. La direction redouble aujourd'hui d'efforts pour déterminer dès l'élaboration du COSOP et la phase de conception des projets la voie à suivre pour assurer la reproduction à plus grande échelle. Pour atteindre sans tarder cet objectif, il faudra notamment affecter des ressources plus importantes aux activités hors prêts et poursuivre le renforcement des compétences et du savoir-faire du personnel dans ce domaine.
56. Cette démarche axée sur l'innovation et la reproduction à plus grande échelle suppose de repenser la nature des projets financés par le FIDA et la façon dont le Fonds évalue sa performance. Dans le cadre d'un programme de pays performant, la majeure partie des projets auront pour objet de reproduire, développer, modifier, affiner et adapter des innovations qui se prêtent à une reproduction à plus grande échelle, la part des crédits apportés par des tiers et par le gouvernement progressant au fil du temps. En revanche, au début du cycle, lorsqu'il faut expérimenter des prototypes, il est parfois nécessaire de mettre en place des projets plus petits et plus simples reposant sur une préparation initiale plus légère, l'appui à l'exécution ultérieure étant en revanche renforcé. Les projets de ce type comportent nécessairement plus de risques, mais en même temps ils sont susceptibles de générer des avantages importants; ils supposent donc de passer d'une culture d'évitement des risques à une culture de gestion des risques.
57. **Gestion des programmes** (pages 47-72). Au fil des ans, dans le but d'améliorer la qualité et l'impact de ses opérations, le FIDA a remédié aux lacunes dans ses politiques, stratégies et directives détectées à l'occasion de l'EEI de 2005. Le personnel peut aujourd'hui consulter des documents de référence en ce qui concerne l'élaboration et la gestion des programmes. Cependant, l'étude des principaux documents d'orientation de l'organisation, notamment la Politique en matière de ciblage et la Politique en matière de financement sous forme de dons, montre que souvent les nouvelles politiques et stratégies ne tiennent pas compte de manière réaliste des coûts d'exécution ou des incidences sur les ressources humaines. Cette lacune est susceptible de compromettre l'efficacité et l'efficacité de l'application des politiques et stratégies de l'institution.
58. En 2007, le FIDA a procédé à un changement qui est probablement le plus radical apporté à son modèle opérationnel depuis la décision d'internaliser la conception des projets prise dans les années 1990. Compte tenu des résultats de l'ENI du programme pilote de supervision directe (2005), le Conseil d'administration a décidé, à la demande de la direction, de généraliser la supervision directe et l'appui à l'exécution. En un laps de temps relativement court, presque tous les projets en ont bénéficié. La supervision directe et l'appui à l'exécution sont également l'occasion pour le personnel de se familiariser de plus près avec les questions de pauvreté rurale et de réinvestir ce qu'ils ont appris dans l'élaboration des COSOP, la conception des nouveaux projets et l'exécution des opérations en cours. La supervision directe et l'appui à l'exécution permettent aussi de concentrer davantage l'attention du personnel sur les questions qui figurent en tête des priorités du FIDA, comme la parité entre les sexes, la participation et le ciblage, et

donne au personnel la possibilité de prendre part à la concertation sur les politiques publiques et au développement des partenariats au niveau des pays.

59. Toutefois, le FIDA est encore aux prises avec les conséquences du passage au nouveau modèle opérationnel, et un certain nombre de difficultés limitent l'efficacité de ses opérations. Les compétences techniques essentielles dont le FIDA dispose au sein de son propre personnel ne sont pas suffisantes pour permettre la participation systématique de techniciens aux missions les plus importantes; les consultants sont majoritaires au sein des équipes, ce qui affaiblit la cohérence institutionnelle et restreint les possibilités d'apprentissage offertes au personnel; il n'est pas rare que la direction des équipes soit confiée à des consultants (bien que PMD s'emploie activement à remédier à cette situation); l'assurance qualité portant sur les documents produits à l'occasion des étapes cruciales de la supervision comme les examens à mi-parcours s'améliore, mais cet aspect doit encore faire l'objet d'un surcroît d'attention; et les nouvelles initiatives (par exemple reproduction à plus grande échelle, concertation, partenariats avec le secteur privé), qui ne sont pas toutes financées, ont des répercussions non négligeables sur la charge de travail des CPP. La combinaison de ces difficultés fait qu'il est difficile pour le FIDA de satisfaire aux exigences d'une gestion de qualité que suppose le nouveau modèle opérationnel. Or, pour remédier à ces difficultés, il faudra peut-être engager des dépenses supplémentaires. Cela affaiblira dans un premier temps l'efficacité en termes de produits, mais l'efficacité à plus long terme – sur le plan des impacts – est peut-être à ce prix. À vrai dire, la nécessité de se monter plus sélectif est en partie liée au fait qu'il faudra peut-être supporter des coûts unitaires plus élevés en matière de supervision et de conception des projets pour être à la hauteur du mandat du FIDA, qui doit atteindre l'excellence et faire preuve de créativité et d'innovation s'il veut gagner en efficacité sur le plan de l'impact.
60. La présence dans les pays est un autre aspect du profond changement apporté au modèle opérationnel du FIDA. Là encore, c'est sur la base de l'ENI du programme pilote relatif à la présence sur le terrain (2007) que le Conseil d'administration a décidé de créer dans chaque région un petit nombre de bureaux de pays. À l'heure actuelle, 40 bureaux de pays du FIDA sont opérationnels dans différentes régions. Le FIDA n'a pas suivi la même démarche que les autres organisations internationales pour créer des bureaux de pays: dans la plupart des cas, il a préféré étudier les possibilités de partage de locaux, en particulier avec d'autres organismes des Nations Unies (notamment la FAO et, dans certains cas, le Programme alimentaire mondial), et il s'est efforcé de maîtriser les coûts en limitant les acquisitions.
61. Ces dernières années, le FIDA a aussi adopté une approche plus systématique en ce qui concerne la création des bureaux de pays, puisqu'il a notamment publié des directives abordant tous les aspects de leur fonctionnement et pris des mesures d'incitation pour favoriser le détachement de CPP. Par ailleurs, un groupe de coordination interdépartements a été constitué en 2012 afin de rationaliser la mise en place des bureaux de pays et de veiller à ce que leurs besoins soient satisfaits dans des délais raisonnables.
62. Les évaluations indépendantes mettent régulièrement l'accent sur les nombreux avantages très divers qui découlent de la présence du FIDA dans les pays. L'équipe d'évaluation convient que le développement de la présence dans les pays et le détachement de CPP, qui reste jusqu'ici limité, se sont avérés très bénéfiques puisqu'ils ont permis au FIDA de mieux s'acquitter de son mandat et d'avancer dans la réalisation de ses priorités au cours de la période FIDA9 (par exemple grâce à la plus grande attention portée à l'appui à l'exécution et à la concertation visant à favoriser la reproduction à plus grande échelle). Il convient toutefois de reconnaître que le processus de détachement de CPP est relativement lent et ne semble pas obéir à une stratégie et des priorités cohérentes prenant en considération les

spécificités des pays. D'un autre côté, compte tenu du coût unitaire que peut représenter le recrutement local de personnel de grande qualité, le développement de la présence du FIDA dans les pays pourrait alourdir les coûts, à moins qu'il ne soit possible de trouver et d'appliquer des solutions permettant de décentraliser la prise de décisions et de compenser les surcoûts par des économies (par exemple au niveau des frais de voyage et, surtout, au moyen de réductions de personnel au siège). Dans un souci d'efficacité, il est désormais indispensable de redoubler d'efforts pour prendre en considération au cas par cas les coûts et les avantages qui découlent de l'essor de la présence dans les pays et de l'affectation de CPP dans les bureaux de pays.

63. Par exemple, une stratégie de décentralisation plus radicale pourrait permettre à la créativité et l'innovation de donner leur pleine mesure. Cependant, une telle évolution pourrait s'avérer coûteuse, et elle entraînerait des répercussions majeures sur le modèle opérationnel du FIDA, les processus fonctionnels de l'organisation, la gestion des ressources humaines, les dispositifs d'évaluation de la performance et les besoins en matière de technologies de l'information et des communications (TIC). Il faut analyser de plus près la répartition des rôles d'encadrement au siège et sur le terrain et évaluer quelles fonctions et prises de décisions seraient assurées sur le terrain avec plus d'efficacité et d'efficacité. Les mérites respectifs du maintien d'une culture commune, d'une perspective institutionnelle et de la mutualisation des apprentissages entre les différentes unités, d'une part, et, d'autre part, de la capacité à prendre en compte les particularités du pays sont une réalité. Par conséquent, il faudra concevoir avec le plus grand soin les prochaines étapes du développement de la présence dans les pays afin de faire en sorte que les aspects relatifs à l'efficacité et l'efficacité soient pris en considération.
64. En 2007-2008, le Fonds a remanié et mis en place un dispositif complet portant sur la qualité au point de départ, dans le but d'améliorer la qualité et le processus de conception des projets. En particulier, un groupe indépendant chargé de l'assurance qualité a été créé au sein du Bureau du Vice-Président. En 2012, cette fonction a été transférée au Département de la stratégie et de la gestion des savoirs. Cependant, la méthode qui consiste à enchaîner un examen approfondi afin d'améliorer la qualité et un examen d'assurance qualité précédant l'approbation est coûteuse et ne peut remplacer l'intégration de la qualité dès la conception grâce à la contribution pratique du personnel technique du FIDA, aussi bien au stade de la conception qu'au cours de la mise en œuvre. La rationalisation du processus d'amélioration de la qualité intervenue récemment (2012) va dans le bon sens, car elle permet de renforcer la participation des conseillers techniques aux missions de conception et de supervision des projets. Il n'en reste pas moins qu'il serait également opportun de remanier la fonction d'assurance qualité pour tenir compte du nouveau processus d'amélioration de la qualité.
65. Le travail accompli par les CPP est extrêmement variable, et l'absence de mécanismes permettant d'équilibrer la charge de travail dans le cadre d'un appui transnational ou interrégional réduit l'efficacité de l'utilisation du personnel et des budgets. Comme il avait déjà été remarqué dans l'EEI, les CPP ont encore tendance à travailler de manière cloisonnée, et ils ont peu d'occasions d'échanger les savoirs et les expériences avec leurs confrères de manière dynamique et systématique, en particulier entre divisions régionales³⁰.
66. Le rôle des directeurs régionaux et leur responsabilité en matière de qualité et d'impact à long terme des programmes régionaux ne sont pas suffisamment clairs, en particulier compte tenu du détachement de CPP. À ce propos, l'équipe

³⁰ Par exemple, le "Forum des CPP", qui constitue un espace d'échange des savoirs, n'est pas organisé très souvent dans l'année.

d'évaluation a par exemple relevé des cas dans lesquels les directeurs de division régionale n'ont pas suffisamment encadré et supervisé l'élaboration des COSOP et d'autres réalisations. Même si ce constat ne vaut pas pour toutes les régions, cette question mérite un examen attentif.

67. Enfin, ces dernières années, l'organisation a porté une attention sans précédent à l'examen et la gestion de la performance du portefeuille, en s'appuyant sur un système d'autoévaluation complet qui s'améliore d'année en année. Il s'agit d'un point essentiel qui reflète une évolution de la culture de l'organisation dont il faut se féliciter, puisque le FIDA a troqué un état d'esprit "axé sur l'approbation" contre une approche "axée sur les résultats".
68. **Fonctions de contrôle et d'appui** (pages 72-81). Ces fonctions ayant d'importantes répercussions sur l'efficacité institutionnelle du FIDA, la direction a pris ces dernières années un certain nombre d'initiatives afin de réduire les coûts, de maîtriser les budgets des unités et d'améliorer les capacités des unités de contrôle et d'appui. Durant la période de la huitième reconstitution (2010 à 2012), le programme de changement et de réforme a constitué pour la direction le principal levier d'amélioration de l'efficacité. Plus récemment, la direction a pris des engagements clés en matière d'amélioration du rapport coût/efficacité et de l'efficacité des processus au cours de la période FIDA9 (2013-2015). Les mesures concernant les unités de contrôle et d'appui mises en place dans le cadre du programme de changement et de réforme sont les suivantes: i) croissance réelle nulle ou quasi nulle pour les activités d'appui (groupes 3 et 4); ii) nouvelle politique de placement mise en place en 2011 afin de renforcer la gestion et le contrôle de la performance et des risques du portefeuille de placements; iii) analyse indépendante, en 2010 et 2011, de la Division du Contrôleur et des services financiers (CFS), la Division des services de trésorerie, la Division des ressources humaines, la Division des technologies de l'information et des communications (ICT) et l'Unité des relations avec les États membres et du protocole, qui fait partie du Bureau du Secrétaire (SEC); et iv) un nouveau modèle de gestion financière comprenant: la mise en place d'un nouveau modèle de gestion des prêts et dons; la mise à jour des politiques et procédures, notamment en ce qui concerne les contrôles en fonction des risques et les décaissements; l'essor de l'automatisation des processus; et le renforcement des compétences financières appropriées au sein du personnel de la division CFS. Il est toutefois trop tôt pour évaluer l'efficacité de ces mesures.
69. L'équipe d'évaluation a constaté que le FIDA consacre aux unités de contrôle et d'appui une part du budget administratif plus importante que la plupart des institutions comparables. Cette situation est due en partie à la petite taille du FIDA, mais aussi au coût relativement élevé de certains services comme SEC ou les divisions chargées des communications et de l'administration, ainsi qu'aux exigences institutionnelles et opérationnelles minimales auxquelles sont soumis certains services de contrôle et d'appui. Les changements apportés à la structure d'organisation entre 2000 et 2012 dans le souci de renforcer l'efficacité de la gestion se sont traduits par une hausse des dépenses de gestion et des frais généraux due à la multiplication du nombre d'unités organisationnelles, en particulier les unités de contrôle et d'appui.
70. Si la direction a cherché à obtenir des gains d'efficacité principalement en limitant les budgets des unités de contrôle et d'appui, les mesures prises dans différents domaines ne s'inscrivent pas dans une stratégie d'ensemble axée sur les facteurs sous-jacents d'évolution des coûts, les arbitrages entre l'efficacité au niveau des produits et des effets, et les possibilités d'externalisation et de délégation de tâches aux bureaux de pays. Si une attention particulière n'est pas portée aux facteurs sous-jacents d'évolution des coûts et aux budgets d'investissement et de fonctionnement servant à financer des activités indispensables comme les TIC,

cette démarche risque de porter atteinte à la qualité et de retentir sur les prestations, et pourrait conduire au transfert de certaines activités de contrôle et d'appui aux unités opérationnelles.

71. La lourdeur des processus fonctionnels de l'organisation et la rigueur des contrôles préalables pèsent sur les rendements. Par exemple, en dépit des réformes entreprises en 2012, le module des voyages du FIDA comporte toujours 43 étapes. La procédure de passation de marchés, que ce soit avec une institution ou une entité commerciale, comporte de multiples étapes, manque de clarté et s'avère très gourmande en temps et en personnel³¹.
72. Le traitement des demandes de retrait et le décaissement des prêts prennent beaucoup plus de temps que dans les autres IFI. Ce constat a été fait, par exemple, dans la récente évaluation du programme de pays de l'Indonésie, et cette situation est en partie due au "romanocentrisme" du FIDA ainsi qu'aux capacités limitées des bureaux de pays du FIDA et aux pouvoirs restreints qui leur sont délégués pour les tâches de routine. Le règlement définitif des sommes dues aux consultants ou au personnel prend beaucoup de temps (par exemple en cas de voyage). L'équipe d'évaluation insiste par conséquent sur la nécessité d'accorder la priorité à l'amplification de la réforme des processus fonctionnels de l'organisation, de manière à améliorer l'efficacité du FIDA en affectant des crédits d'investissement et de fonctionnement à la mise en place d'une plateforme TIC performante. Cela permettrait également d'améliorer le rapport entre le personnel du cadre organique et celui des services généraux.
73. Un pas important a été franchi dans la définition d'une vision pour les services TIC durant la période 2011-2015, dans le souci d'améliorer les compétences fondamentales qui lui permettent d'assurer au FIDA un meilleur accès aux infrastructures, aux moyens de communication en ligne et aux outils collaboratifs. Cependant, contrairement à ses homologues, le FIDA n'a pas beaucoup avancé en ce qui concerne l'utilisation des TIC afin d'exploiter au mieux les potentialités du personnel. Les problèmes de gouvernance et le manque de clarté des stratégies définies pour donner corps à cette vision se sont traduits par une démarche par à-coups. En raison de la planification insuffisante des opérations, de la maintenance et des mises à niveau, les investissements dans les TIC sont insuffisants, l'externalisation n'est pas assez poussée et les compétences internes ne sont pas adaptées.
74. La Division ICT s'est consacrée aux entretiens de routine au lieu de jouer le rôle de partenaire stratégique appuyant la transformation des processus fonctionnels. Concentrer toute l'attention sur la réduction des coûts, par exemple en supprimant le service d'assistance aux utilisateurs et la formation du personnel, c'est risquer de compromettre les résultats. Les insuffisances des services TIC retentissent sur l'efficacité globale du FIDA, notamment en raison des insuffisances dans l'intégration ou la compatibilité des systèmes, la normalisation des informations, l'accès aux informations institutionnelles et les fonctions de recherche et d'analyse.
75. **Gestion des résultats et des budgets** (pages 82-89). Ces deux éléments font également partie des facteurs d'efficacité institutionnelle. L'attention portée à la nécessité de mesurer les résultats et d'en rendre compte est en progrès aussi bien au sein du FIDA que dans les États membres. Depuis l'EEI, le FIDA a investi dans un cadre intégré de gestion des résultats synchronisé avec le cycle des reconstitutions. Depuis fin 2006, chaque document exposant la stratégie de pays comprend un cadre de résultats, et des examens sont prévus une fois par an, ainsi qu'à mi-parcours et à l'achèvement du COSOP. Les projets doivent comporter un cadre logique comprenant des indicateurs clairs et quantifiables et couvrant comme

³¹ En 2013, la direction a publié des directives révisées en matière de contrats institutionnels, dans le souci d'améliorer l'efficacité et la clarté des procédures dans ce domaine.

il convient les indicateurs du Système de gestion des résultats et de l'impact (SYGRI). Des enquêtes auprès des bénéficiaires sont effectuées à intervalles réguliers au niveau des pays afin de recueillir leur point de vue sur la performance du FIDA au regard de multiples indicateurs.

76. Chaque année, à la session de décembre du Conseil d'administration, la direction rend compte dans le Rapport sur l'efficacité du FIDA en matière de développement (RIDE) de la performance au regard des principaux indicateurs figurant dans le Cadre de mesure des résultats arrêté d'un commun accord avec les États membres. Chaque trimestre, un examen interne de la performance est réalisé afin de faire le point sur le déroulement du projet et de procéder le cas échéant à des ajustements à mi-parcours si le besoin s'en fait sentir. Au fil du temps, comme il a déjà été mentionné, le FIDA s'est efforcé de renforcer le système d'autoévaluation. Par exemple, durant la mise en œuvre d'un projet, un rapport sur son état d'avancement est établi chaque année pour faire le point sur la performance. Les enquêtes SYGRI, bien que de qualité variable, produisent une bonne quantité de données qui sont utilisées pour rendre compte de la performance des projets. Depuis 2007, la priorité accordée aux résultats s'appuie sur la supervision directe qui permet de privilégier le recueil de données dans les principaux domaines dont se préoccupe le FIDA.
77. Plusieurs facteurs compromettent l'efficacité et l'utilité de la mesure des résultats au FIDA. Le dispositif est trop complexe. Les nombreux indicateurs et les différentes strates du système ne sont pas toujours compatibles, ce qui complique la synthèse des résultats et sème le doute sur la fiabilité des informations communiquées concernant la performance dans certains domaines. Selon l'ENI relative à l'égalité entre les sexes réalisée en 2010, il est impossible de regrouper les différents indicateurs mesurés dans le cadre des COSOP, du SYGRI, des rapports sur l'état d'avancement des projets et des rapports d'achèvement des projets (par exemple équité hommes-femmes, autonomisation des femmes, égalité des sexes) parce qu'ils correspondent à des concepts du développement différents. On pourrait citer d'autres exemples allant dans le même sens.
78. Toute évaluation des résultats doit pouvoir s'appuyer sur une étude de référence, or celles-ci ne sont pas toujours réalisées dans les délais, et il arrive qu'elles ne soient tout simplement pas effectuées, souvent parce que les crédits, qui sont pris sur le budget du projet, ne sont pas disponibles tant que celui-ci n'a pas été approuvé. La conception des dispositifs de suivi-évaluation (S&E) est souvent trop ambitieuse, surtout au regard des capacités locales, et c'est la raison pour laquelle les informations transmises concernant les maillons de la chaîne de résultats que sont les effets et l'impact sont encore insuffisantes. Il est vrai que les autres organisations de développement sont aussi confrontées à cette difficulté. Les rapports d'achèvement des projets sont de qualité variable, et souvent les dispositifs de S&E au niveau des projets ne reprennent les indicateurs du SYGRI que partiellement ou de manière incorrecte. Les obligations imposées aux projets en matière de transmission d'informations dans le cadre du SYGRI du FIDA alourdissent la charge de travail des responsables des projets, qui doivent suivre les résultats et en rendre compte à un seul donateur (le FIDA), ce qui gonfle les coûts de transaction, contrevenant ainsi aux dispositions de la Déclaration de Paris relatives à l'harmonisation de l'aide au développement et à l'alignement sur les systèmes nationaux.
79. En ce qui concerne les COSOP, les examens annuels ne sont pas systématiques; quant aux examens à mi-parcours, ils sont souvent effectués tardivement, et leur qualité n'est pas toujours à la hauteur. De surcroît, l'examen à l'achèvement du COSOP prévu dans les directives relatives à l'établissement des COSOP axés sur les résultats approuvés par le Conseil d'administration en septembre 2006 n'a toujours pas été instauré. Cet examen permettrait à la direction et au Conseil

d'administration d'obtenir, à la fin de chaque période couverte par un COSOP, une vue d'ensemble des réalisations du programme de pays, au-delà des résultats des projets individuels.

80. À vrai dire, le FIDA n'a pas porté toute l'attention voulue à la nécessité de mesurer les résultats d'ensemble de ses activités et d'en rendre compte, en particulier en ce qui concerne les programmes de pays, et d'établir dans quelle mesure la concertation, la gestion des savoirs, le développement des partenariats et les dons agissent en synergie pour obtenir un impact susceptible de favoriser la reproduction à plus grande échelle. À ce sujet, une fois les examens à l'achèvement du COSOP mis en place, IOE pourrait en entreprendre la validation, comme il le fait pour les rapports d'achèvement des projets. Cela permettrait de rapprocher encore davantage le système d'évaluation du FIDA dans son ensemble de ceux des banques multilatérales de développement et de renforcer la solidité des informations sur les résultats présentées par la direction et IOE.
81. Enfin, rares sont les éléments incitant à penser que le cadre de résultats du FIDA constitue un outil efficace pour orienter les décisions en matière de planification et rendre compte de l'enchaînement des résultats, en partant de l'impact et des effets, ou que les programmes de travail sont établis en fonction de choix stratégiques judicieux dictés par les résultats.
82. C'est probablement la première fois de son histoire que le FIDA avance sur la voie de la diffusion d'une culture de gestion budgétaire plus solide. Le FIDA est aujourd'hui plus attentif à l'élaboration, au suivi et à l'exécution des budgets ainsi qu'à la transmission des informations budgétaires. En 2013, le processus budgétaire a abouti à des transferts stratégiques entre départements d'un montant total de 9,4 millions d'USD (6,5% du budget total du FIDA), l'objectif étant de renforcer certaines unités tout en limitant d'autres coûts. Avec le budget 2013, le FIDA a également amélioré la transparence du financement des dépenses renouvelables (par exemple plusieurs postes et certaines dépenses afférentes aux TIC), qui ont été imputées au budget annuel au lieu d'absorber une partie des commissions de gestion des fonds supplémentaires, comme c'était le cas auparavant.
83. Depuis plusieurs années, une part croissante des ressources est réorientée en faveur du groupe 1 (gestion des programmes de pays, conception des projets [prêts ou dons] et supervision et appui à l'exécution), qui constitue le pivot de l'action du FIDA visant à obtenir un impact sur la pauvreté rurale. Des ressources supplémentaires sont aussi affectées au groupe 2 (concertation de haut niveau, mobilisation des ressources et communication stratégique), dont le rôle est également indispensable pour honorer les engagements souscrits pour la période de la neuvième reconstitution. Ces évolutions dans l'affectation des ressources méritent d'être saluées.
84. L'équipe d'évaluation constate que la méthode de budgétisation axée sur les résultats pratiquée au FIDA pourrait être perfectionnée afin de renforcer l'articulation entre programmes de travail et budgets et résultats attendus ainsi qu'entre résultats escomptés et résultats effectifs. Par exemple, le Conseil d'administration ne se penche sur les deux documents annuels du FIDA qui rendent compte des résultats et des enseignements tirés à l'échelle de l'institution, à savoir le RIDE et le RARI, qu'après avoir examiné le programme de prêts et dons (et le budget administratif) pour l'année à venir. Cette situation affaiblit la responsabilité au service des résultats et, partant, de la gestion des budgets et du personnel.
85. En définitive, pour améliorer la budgétisation axée sur les résultats, il est indispensable d'élaborer des programmes de travail en tenant compte des résultats, de renforcer l'autonomie de la gestion budgétaire et de situer la responsabilité concernant les résultats à l'échelon du département, mais aussi de

resserrer les liens entre les programmes de travail, les résultats attendus et les budgets; ce dernier aspect nécessitera quant à lui un renforcement sensible des systèmes actuels d'information sur les coûts.

86. Il ne semble pas que les crédits budgétaires soient affectés de manière transparente en fonction de priorités ou d'arbitrages entre les programmes de travail des différents départements et au sein de chacun d'entre eux, dans la perspective de l'obtention de résultats à moyen terme. Afin de remédier à cette faiblesse, le FIDA a élaboré pour la première fois en 2010 un Plan à moyen terme couvrant la période 2010-2012 (et il en a ensuite établi un second pour la période 2013-2015), mais ce plan n'a pour l'instant pas fourni des indications suffisantes concernant les choix stratégiques à opérer à moyen terme en matière de programmes de travail et budgets. En l'absence de véritable cadre budgétaire à moyen terme, la planification s'effectue à horizon d'un an, ce qui n'est pas la meilleure solution pour établir des budgets axés sur les résultats dans une organisation de développement. La responsabilisation en matière de gestion budgétaire est un point faible en raison de l'absence de va-et-vient entre la base et le sommet permettant d'assurer la cohérence entre les programmes de travail et les budgets au cours de l'élaboration de ces derniers. Des améliorations ont été apportées à la hiérarchisation des priorités et aux arbitrages en matière d'affectations budgétaires durant l'élaboration du budget 2013 (alors que l'examen en vue de l'ENI était déjà achevé), les unités fonctionnelles ayant dû procéder à des arbitrages dans un contexte de stabilité du budget en valeur nominale.
87. L'absence d'analyse intégrée de l'exécution des programmes de travail et de l'utilisation des budgets dans le passé, les longs délais de transmission au Conseil d'administration des résultats de ces analyses et le manque d'indicateurs clés de performance significatifs contribuent dans une large mesure au manque d'efficacité du FIDA. Ce problème est aussi en partie dû au fait qu'il n'est pas facile de consulter les données budgétaires concernant les dépenses effectives (en particulier les dépenses de personnel) contenues dans les systèmes informatiques, ce qui empêche de prendre des décisions rapidement. Toutefois, à compter de 2011, les membres de la direction ont conjugué leurs efforts pour procéder à un examen détaillé des budgets en milieu d'exercice et assurer un suivi plus fréquent de leur exécution. Il a ainsi été possible de procéder à des réaffectations de crédits en cours d'année lorsque le besoin s'en faisait sentir, afin d'améliorer les résultats.
88. Au FIDA, les services du budget, qui manquent cruellement de personnel, ont beaucoup de mal à s'acquitter de leurs tâches, et il leur manque le statut hiérarchique, le rayonnement et l'influence nécessaires pour exercer comme ils le devraient leur mission de contrôle et d'analyse. Ce handicap limite aussi la contribution que la fonction du budget apporte à la planification stratégique institutionnelle et à l'élaboration et l'exécution du budget axées sur les résultats. Il est toutefois à noter que l'Unité du budget et du développement organisationnel a récemment été placée sous l'autorité directe du Vice-Président.
89. **Gestion du personnel** (pages 89-97). La gestion des ressources humaines, qui est une dimension centrale de l'efficacité institutionnelle du FIDA, constitue depuis plus d'une dizaine d'années pour le Fonds un défi permanent. Jusqu'à une date récente, le manque de continuité à la tête de la fonction des ressources humaines n'a fait qu'aggraver la situation, et il était d'autant plus difficile de suivre un cap et d'aller de l'avant.
90. En sa qualité d'institution spécialisée des Nations Unies, le FIDA a coutume de suivre les recommandations de la Commission de la fonction publique internationale, qui sont appliquées à l'ensemble du système, y compris dans les organisations des Nations Unies ayant leur siège à Rome. Le FIDA a adopté le barème des traitements, indemnités et prestations et le régime des pensions

offerts au personnel des Nations Unies, qui est différent des systèmes en vigueur dans les autres banques multilatérales de développement, et sans doute moins souple et moins compétitif.

91. L'ENI reconnaît la portée et l'ambition du volet actuel concernant la réforme des ressources humaines du programme de changement et de réforme lancé en 2009, qui comprend des mesures essentielles visant à améliorer la gestion des ressources humaines et la performance du personnel. Le rythme de mise en œuvre de cette réforme s'est accéléré sous l'impulsion du nouveau directeur nommé à la tête de la division en 2011.
92. Outre le programme de réforme, le FIDA a fait des progrès ces dernières années sur la voie de l'amélioration de la gestion du personnel. Un certain nombre de nouveautés importantes ont été instaurées, parmi lesquelles: des mesures d'incitation afin de favoriser le détachement sur le terrain de membres du personnel du siège; l'augmentation des crédits affectés à la formation interne; la mise en place de programmes d'accueil des nouveaux employés; des procédures de recrutement rigoureuses qui assurent la transparence d'un système fondé sur le mérite; un programme d'immersion sur le terrain à l'intention des employés qui n'ont pas de fonctions opérationnelles; et l'élaboration d'un nouveau règlement du personnel applicable aux fonctionnaires et aux autres agents. Enfin, en 2012, le FIDA a mis la dernière main à l'audit des fonctions et au processus de planification stratégique pour le personnel, qui pourrait constituer une avancée importante sur la voie de l'obtention de gains d'efficacité dans la composition et la répartition du personnel. Des domaines importants de la gestion du personnel doivent encore faire l'objet d'une attention spécifique, et c'est particulièrement le cas pour la gestion de la performance.
93. En l'occurrence, le FIDA est doté d'un système d'évaluation de la performance du personnel dont la conception et les processus sont de premier ordre, et dont la Division des ressources humaines assure le fonctionnement de manière satisfaisante. Toutefois, l'organisation n'est pas encore en mesure de s'appuyer sur ce système pour assurer la gestion de la performance, alors qu'il s'agit d'un facteur crucial pour le renforcement de l'efficacité d'ensemble. Dans la plupart des appréciations annuelles décernées au personnel, la performance est jugée pleinement satisfaisante; elle est jugée excellente ou remarquable dans certains cas, mais très rarement en partie satisfaisante ou insuffisante. Ce constat traduit une conception frileuse de la gestion de la performance en général et le désir d'éviter les procédures de plainte officielle (internes et externes). Cette conception de la gestion de la performance limite les conséquences auxquelles s'exposent les employés peu performants et, parallèlement, les incitations à se montrer très performant, puisque le personnel ne constate pas qu'une performance exemplaire est récompensée de manière concrète.
94. Le modèle opérationnel du FIDA a évolué ces dernières années, par exemple avec l'instauration de la supervision directe et de l'appui à l'exécution, une majeure attention portée à la reproduction à plus grande échelle et à la participation du secteur privé, et la place plus importante accordée aux activités hors prêts, notamment la concertation au niveau national, le développement des partenariats et la gestion des savoirs. Cette évolution du modèle opérationnel implique qu'on attend du personnel (en particulier les CPP) qu'ils gèrent des processus et des activités pour lesquels ils ne sont pas nécessairement convenablement préparés. Ce hiatus pèse sur l'obtention des résultats (par exemple en matière de concertation au niveau national), et le FIDA doit remédier rapidement à cette situation pour pouvoir honorer les engagements souscrits pour la période de FIDA9 et au-delà.

95. Un autre aspect mis en lumière dans le cadre de l'évaluation concerne le recours aux consultants et leur gestion. Comme il a déjà été indiqué, le FIDA est par trop tributaire des consultants pour les activités opérationnelles de base, et les consultants représentent une part plus importante du personnel au FIDA que dans les autres IFI. Pourtant le processus de sélection est pour l'essentiel délégué à la division qui opère le recrutement, et souvent au CPP, l'institution exerçant un contrôle de la compétence des consultants engagés qui s'avère limité en comparaison des procédures rigoureuses et transparentes appliquées pour sélectionner le personnel afin d'améliorer la qualité des recrutements. Cette pratique compromet la qualité du travail accompli et met en péril l'efficacité du FIDA. En dépit de quelques ajustements récents (2013), les plafonds applicables à la rémunération des consultants n'ont pas évolué au même rythme que dans les autres banques multilatérales de développement. Ce différentiel limite aujourd'hui les possibilités de recrutement d'experts de classe internationale, en particulier dans les domaines spécifiques du nouveau modèle opérationnel du FIDA, et se traduit par un nombre élevé de dérogations, ce qui contribue à allonger davantage les délais d'approbation et à perdre en efficacité.
96. Les coûts afférents aux employés du FIDA (personnel et consultants) représentent 80% du budget administratif. Les caractéristiques de la pyramide des âges du personnel s'expliquent par un faible taux de renouvellement volontaire, en partie en raison de l'attractivité de Rome. Cette situation a entraîné un déséquilibre de la structure hiérarchique, caractérisée par une surreprésentation des échelons supérieurs, aussi bien pour le cadre organique que pour les services généraux. Les départs naturels offrent la possibilité d'intégrer au personnel actuel l'assortiment de compétences souhaité. La surreprésentation des agents des services généraux par rapport au personnel du cadre organique, en comparaison de la situation dans les institutions comparables, est due au manque d'investissements dans les TIC et à une automatisation insuffisante. L'essor de la présence dans les pays, accompagné d'une augmentation du personnel local, pourrait contribuer à abaisser le coût par agent, pour autant qu'un certain nombre de responsabilités et de tâches soient transférées aux bureaux de pays. Cependant, il ne semble guère pour l'instant que l'augmentation du nombre d'agents au sein des bureaux de pays du FIDA soit compensée par des suppressions de postes dans les services centraux. Les décisions récentes allant dans le sens d'un ralentissement des recrutements d'agents des services généraux affectés aux services centraux du Département PMD sont un pas dans la bonne direction.
97. **Structure d'organisation, de direction et de décision** (pages 106-108). Au cours des quelques dernières années écoulées, le FIDA a affecté des ressources budgétaires au renforcement de la structure d'organisation moyennant la création, entre autres, des services suivants: Département de la stratégie et de la gestion des savoirs, Département des opérations financières, Département des services institutionnels, Division environnement et climat, Bureau des partenariats et de la mobilisation des ressources, Division des statistiques et des études au service du développement, et Bureau de la déontologie. Ces créations avaient essentiellement pour objet de concourir à l'efficacité institutionnelle. Il est trop tôt pour déterminer si ces nouveaux départements auront également un effet bénéfique sur le plan de l'efficacité.
98. La haute direction du FIDA prêche en faveur d'améliorations de l'efficacité, ce qui est important pour donner l'impulsion nécessaire. Cependant, le personnel ne comprend ou n'apprécie pas toujours le bien-fondé des gains d'efficacité pour l'institution, et la modification des prestations et avantages dont il bénéficie suscite une résistance bien compréhensible.
99. Afin de renforcer le programme de réforme, l'EEI recommandait la nomination d'un directeur général. La direction du FIDA était en désaccord avec cette

recommandation issue de l'EEI, considérant qu'*"il vaudrait mieux renforcer les fonctions de surveillance et d'orientation au niveau de la haute direction..."*. La majorité des hauts responsables consultés ont indiqué que le rôle du Vice-Président, qui a été précisé et renforcé à l'occasion de la dernière nomination, n'a en pratique pas été exercé comme prévu. Le moment est peut-être venu de réexaminer ce rôle, compte tenu de l'expansion de l'organisation, qui comprend quatre départements dirigés par des fonctionnaires au rang de Sous-Secrétaire général et cinq divisions (regroupées au sein du Groupe d'appui aux services institutionnels), auxquels s'ajoute le Bureau de la déontologie. Le poste de Vice-Président étant vacant, c'est l'occasion de reconsidérer cette fonction dans la perspective d'un renforcement de l'efficacité des modalités de décision de la haute direction.

100. Le Comité exécutif de gestion (EMC) et le Comité de gestion des opérations (OMC) ont été créés en 2009 dans le but de responsabiliser l'encadrement et de renforcer la coordination au sein des départements et des divisions et la transparence et l'efficacité des processus de décision. La transparence s'est considérablement accrue, mais la coordination entre les unités afin de réaliser les objectifs communs de l'institution laisse encore à désirer. Peu à peu, les périmètres d'action de ces comités se sont chevauchés et leurs activités sont devenues redondantes, ce qui a compromis l'efficacité et favorisé la concentration des responsabilités aux échelons supérieurs de la hiérarchie et la dilution de l'obligation de rendre compte. Toutefois, en 2012, la structure, la composition et le mandat de l'OMC ont été réexaminés et modifiés afin de remédier aux difficultés exposées ci-dessus. S'il est trop tôt pour évaluer ces mesures, la réussite de leur application montrerait que des pouvoirs fonctionnels plus importants ont été délégués à l'encadrement, au lieu de s'en remettre aux décisions d'un comité en "déléguant vers le haut", et que la coordination institutionnelle et les processus de décision ont été renforcés.
101. Cela fait longtemps que le FIDA se caractérise par la lourdeur du processus de décision, une part exceptionnellement élevée des décisions de routine qui sont tout à fait du ressort de l'encadrement étant dévolue aux échelons supérieurs de la hiérarchie (parfois à différents comités), ce qui se traduit par un affaiblissement de leurs pouvoirs et de leur responsabilité, au détriment de l'efficacité institutionnelle. Actuellement, de nombreux fonctionnaires assument des fonctions qui s'apparentent à un rôle d'encadrement, sans obligation de rendre compte clairement définie. Les CPP semblent jouir à certains égards d'une autonomie presque totale, mais leur obligation de rendre compte n'est pas clairement définie, un constat sur lequel l'EEI avait déjà attiré l'attention. Cet état de fait est en partie imputable au caractère limité de la supervision, du mentorat et du contrôle de la qualité qu'exercent les directeurs des divisions régionales, un aspect qui a déjà été évoqué.
102. Le flou qui caractérise l'obligation de rendre compte de l'encadrement découle en partie du manque de clarté de la structure hiérarchique et des attentes en matière de performance. Les délégations de pouvoirs fonctionnels sont limitées et portent essentiellement sur les considérations de conformité. À la faveur de la révision du manuel et du cadre de délégation des pouvoirs, achevée en 2011, de nouvelles délégations de pouvoirs ont été ajoutées, et les travaux vont se poursuivre de manière à préciser les rôles et les responsabilités.
103. Les rôles et responsabilités du Bureau du Conseiller juridique (LEG) ont été renforcés à compter de 2008-2009, et l'appui qu'il apporte aux opérations est globalement satisfaisant. Selon les informations émanant des services du FIDA, LEG doit donner son aval à toute une série de documents internes et externes, et il serait utile de préciser dans quelles occasions l'avis ou l'aval des services juridiques sont effectivement nécessaires pour aller de l'avant. L'audit interne engagé par le FIDA concernant l'efficacité des procédures juridiques donnera vraisemblablement

de nouvelles indications susceptibles de contribuer si besoin est à la rationalisation de ces procédures.

104. **Organes directeurs du FIDA** (section VI, pages 104-108). Le FIDA étant une institution spécialisée des Nations Unies et une IFI, il est doté d'une structure de gouvernance complexe composée d'un Conseil des gouverneurs et d'un Conseil d'administration accompagné de deux organes subsidiaires permanents, à savoir le Comité de l'évaluation et le Comité d'audit. Tous les trois ans, une consultation est organisée pour reconstituer les ressources du Fonds, à l'occasion de laquelle les États membres conviennent de nouvelles orientations et décident d'apporter ou non une contribution dont ils annoncent le montant. Les États membres du FIDA sont répartis en trois Listes (A [pays membres de l'OCDE], B [pays membres de l'Organisation des pays exportateurs de pétrole [OPEP] et C [pays en développement]). La structure de gouvernance est organisée de manière à permettre à des groupes d'intérêt différents de faire entendre leur voix et d'être représentés. Toutefois, le fonctionnement des organes directeurs peut être amélioré. Les gains d'efficacité – plus que l'efficience avec laquelle ces organes rendent compte – ont des incidences non négligeables sur l'efficience institutionnelle de l'organisation dans son ensemble.
105. Le Conseil des gouverneurs est l'organe directeur suprême; il réunit une fois par an à Rome les gouverneurs de tous les États membres du FIDA. Ce fonctionnement est analogue à celui des autres IFI. Le Conseil des gouverneurs doit s'acquitter de fonctions statutaires importantes, dont l'approbation du budget administratif annuel de l'institution, l'élection du Président du FIDA (tous les quatre ans) et l'adoption des résolutions relatives à la reconstitution des ressources. Dans le cadre du Conseil des gouverneurs, les États membres ont la possibilité d'échanger, de rencontrer le personnel et la direction du FIDA et de mieux connaître l'organisation et son action.
106. Cependant, le Conseil des gouverneurs n'est pas l'espace dans lequel se déroulent les débats importants, hormis à l'occasion de l'élection du Président. Les discussions qui précèdent l'approbation du budget annuel ou des résolutions relatives à la reconstitution des ressources sont préparées en détail au Conseil d'administration et à la Consultation sur la reconstitution.
107. Le déroulement du Conseil des gouverneurs a évolué au fil des ans, et les conférences-débats et les événements parallèles organisés sur des sujets importants se rapportant à l'agriculture et au développement rural dans le monde occupent désormais davantage de place et suscitent plus d'attention. De nombreux États membres apprécient cette nouvelle formule, mais le temps imparti aux questions de gouvernance et aux points qui s'y rapportent s'en trouve diminué.
108. En 2010, le Conseil des gouverneurs a été organisé au siège du FIDA pour la première fois depuis la création du Fonds, ce qui a simplifié les aspects logistiques et contribué à limiter les coûts. Toutefois, les évaluateurs soulèvent la question de la nécessité de réunir le Conseil des gouverneurs chaque année. Des sessions moins fréquentes (par exemple tous les deux ans) permettraient de faire des économies supplémentaires, et il suffirait que les Gouverneurs délèguent au Conseil d'administration leur compétence pour un certain nombre de fonctions récurrentes (par exemple l'approbation du budget administratif annuel du Fonds).
109. Les sessions de la Consultation sur la reconstitution des ressources ont lieu tous les trois ans³². Les grandes décisions concernant les changements à apporter à l'organisation, aux stratégies et aux politiques sont généralement prises à l'issue de ces consultations triennales. À cette occasion, les représentants au Conseil

³² IOE va entreprendre une ENI consacrée aux reconstitutions des ressources du FIDA qui sera présentée au Conseil d'administration en décembre 2013. C'est pourquoi l'évaluation portant sur l'efficience n'a fait qu'effleurer ce sujet.

d'administration ont la possibilité d'attirer l'attention des autorités de leurs mandants sur les difficultés auxquelles le FIDA est confronté et d'influer sur son programme.

110. Pour la première fois depuis la création du Fonds, au cours de la Consultation FIDA9, la direction a préparé un examen à mi-parcours des engagements souscrits au titre de la reconstitution précédente (FIDA8), ce qui a permis aux États membres de débattre en temps réel des progrès accomplis par le Fonds. Autre innovation, un président extérieur au FIDA a été chargé d'animer la Consultation, ce qui a eu pour effet d'améliorer l'efficacité du processus dans son ensemble, car le Président du FIDA, qui avait présidé toutes les sessions précédentes, a été en mesure de se concentrer sur la formulation des priorités du FIDA pour la période couverte par la reconstitution.
111. Le Conseil d'administration, qui n'est pas un organe résident, se réunit trois fois par an, habituellement pour une session de deux jours. Le petit nombre de réunions du Conseil d'administration et le fait qu'il ne s'agit pas d'un organe résident correspondent bien aux besoins du FIDA; en effet, si le FIDA était doté d'un Conseil d'administration résident, à l'instar des autres IFI, cela alourdirait les dépenses administratives de l'institution. Cela dit, comme de nombreux membres du Conseil d'administration du FIDA sont en poste à Rome et représentent également leur pays aux organes directeurs de la FAO et du Programme alimentaire mondial, ils ne sont pas toujours en mesure de consacrer suffisamment de temps à l'examen des documents du Conseil d'administration et de participer pleinement à tous ses débats. Le problème se pose avec une acuité particulière pour la plupart des membres des Listes B et C, ce qui nuit à l'efficacité des organes directeurs, car les membres ne trouvent pas toujours le temps de solliciter les éclaircissements souhaités sur des points précis avant le début de la session du Conseil d'administration, et soulèvent en séance des questions qu'il serait possible de préciser en dehors des réunions officielles.
112. Les séances sont minutieusement ordonnées et la présidence du Conseil d'administration joue aujourd'hui un rôle prépondérant. Il ressort toutefois de l'évaluation que les ordres du jour du Conseil d'administration sont trop ambitieux et laissent relativement peu de place aux échanges sur les résultats, les aspects politiques et stratégiques, les évaluations et les enseignements, par rapport au temps passé à examiner les documents relatifs aux processus et aux moyens. L'équipe de l'EEI était parvenue à la même conclusion et préconisait un rééquilibrage en faveur de ce premier type de sujets.
113. Pour alléger l'ordre du jour du Conseil d'administration, celui-ci pourrait par exemple déléguer au Président du FIDA le pouvoir d'approuver les nouveaux prêts et dons. On pourrait mettre en place un mécanisme permettant au Conseil d'administration de débattre d'un projet particulièrement novateur ou présentant un intérêt particulier à un autre titre, y compris politique, mais cela deviendrait l'exception et non la règle. Cette solution, qui est conforme à la recommandation formulée à l'issue de l'EEI, se traduirait par des économies, notamment en ce qui concerne la traduction des documents.
114. Sur un autre plan, l'équipe d'évaluation relève que, contrairement aux autres IFI, le FIDA n'a pas de code de conduite précisant les règles d'intégrité auxquelles les membres du Conseil d'administration doivent se conformer. Par exemple, il est arrivé que des membres du Conseil d'administration du FIDA se portent candidats à des postes au sein du FIDA. Il n'y a aucune raison que les membres du Conseil d'administration ne soient pas autorisés à devenir membres du personnel en se soumettant aux procédures ordinaires de recrutement concurrentiel mais, comme c'est le cas dans les autres institutions, ils ne devraient pouvoir le faire qu'à l'issue

d'un délai de carence officiellement établi au terme de leur mandat de représentant au Conseil d'administration.

115. L'hétérogénéité des horizons des membres du Conseil d'administration du FIDA – due au fait que le Fonds est à la fois une institution spécialisée des Nations Unies et une IFI – est gage de plus grande diversité des opinions et des points de vue qui s'expriment à l'occasion des débats. D'un autre côté, contrairement aux autres IFI notamment, le FIDA n'a pas établi de directives relatives aux qualifications des représentants au Conseil d'administration, par exemple sur le plan de l'expérience et des compétences. Bien que les États membres souverains soient en droit de nommer qui bon leur semble pour les représenter au Conseil d'administration, l'adoption de lignes directrices, dans le souci d'aider les États membres à choisir leur représentant, pourrait contribuer à la qualité des débats et à l'efficacité.
116. Un autre problème structurel mérite réflexion pour améliorer l'efficacité du Conseil d'administration. Actuellement, seul le représentant au Conseil d'administration ou son suppléant désigné est autorisé à prendre part aux séances du Conseil d'administration. Il est arrivé que le président du Comité de l'évaluation, ou celui du Comité d'audit, soit en poste à l'ambassade de son pays à Rome, mais n'en soit pas le représentant désigné au Conseil. Cette situation a été source de difficultés durant les séances du Conseil d'administration auxquelles le représentant siège, car dans le cas de figure évoqué ci-dessus, les présidents de ces comités ne seraient pas admis en séance, à moins que le représentant au Conseil d'administration ne renonce à siéger. Cette disposition nuit à l'efficacité et l'efficacité, et il serait facile d'y remédier en décidant que les présidents de ces comités sont admis à siéger *ès qualités*.
117. Le fonctionnement du Comité d'audit et du Comité de l'évaluation est satisfaisant, et le Conseil d'administration a récemment procédé à la révision et l'approbation de leur mandat respectif. En leur qualité d'organes consultatifs du Conseil d'administration, ces comités n'exercent pas de pouvoir de décision. Ils jouent tous les deux un rôle décisif en examinant de manière plus approfondie les documents qui sont aussi présentés au Conseil d'administration, mais aussi d'autres documents importants qui ne lui sont pas soumis. Tous les documents du Comité de l'évaluation sont rendus publics sur le site web du FIDA, ce qui n'est pas le cas pour les documents du Comité d'audit, et cette règle mériterait peut-être d'être reconsidérée dans le souci de renforcer l'efficacité de la communication, la transparence et l'obligation de rendre compte.
118. L'équipe d'évaluation considère que, comme cela se fait de plus en plus dans le secteur de la finance et des affaires, le Comité d'audit devrait envisager de faire appel aux compétences de spécialistes ou de techniciens extérieurs au FIDA pour l'épauler dans sa mission de contrôle des finances du FIDA. Le Comité de l'évaluation joue un rôle décisif en examinant les résultats et les enseignements tirés des évaluations indépendantes et en préconisant au Conseil d'administration les mesures à prendre pour renforcer l'efficacité du FIDA en matière de développement et son efficacité. Le dialogue constructif que mènent la direction du FIDA et IOE permet au Comité d'obtenir l'essentiel des éléments dont il a besoin pour se forger une opinion sur les questions stratégiques. Cela étant, les rapports que ces deux comités adressent au Conseil d'administration ne font pas toujours clairement la distinction entre les recommandations qu'ils souhaiteraient voir le Conseil d'administration adopter et les autres questions controversées sur lesquelles il doit se pencher, alors que cela permettrait au Conseil d'administration de concentrer son attention sur un certain nombre de questions et de gagner en efficacité.
119. Étant donné que le Conseil d'administration n'est pas un organe résident, il existe au FIDA une plateforme informelle appelée "Coordonnateurs de liste et amis" qui

permet d'assurer la continuité de la concertation entre les États membres et le FIDA entre deux sessions. C'est dans ce cadre que les problèmes importants sont évoqués, et souvent résolus. Cette plateforme garde toutefois un caractère informel. Il serait peut-être utile d'envisager d'imiter les autres organes subsidiaires du Conseil d'administration, qui ont coutume d'inclure au procès-verbal des réunions un relevé de décisions, dans le souci de rendre ce mode de fonctionnement transparent et d'améliorer la communication et la circulation des informations.

120. Le Bureau du Secrétaire joue un rôle utile et apporte aux organes directeurs un appui diligent en assurant les services aux États membres et en organisant toutes les réunions des organes directeurs. Cela étant, en dépit du petit nombre de sessions du Conseil d'administration, les dépenses de fonctionnement de SEC sont élevées par rapport aux institutions comparables, en partie en raison du coût de la traduction des documents et de l'interprétation, qui sont assurées dans les quatre langues officielles. À ce propos, le Conseil d'administration a récemment adopté une proposition relative à la réduction des dépenses de fonctionnement des organes directeurs, y compris les dépenses afférentes à SEC, dans la droite ligne de l'engagement fondamental de réduction des coûts souscrit par la direction au titre de FIDA9.
121. Un dernier point mérite qu'on s'y attarde. Il a trait à la répartition des États membres du FIDA en trois Listes (A, B et C). Il s'agit d'une question fondamentale, car ce système de listes a des incidences considérables sur la gouvernance, la répartition des votes et la représentation, et par conséquent sur l'efficacité et l'efficience de l'ensemble de l'architecture des organes directeurs du FIDA. Ce système de Listes (ou de catégories I, II et III comme on les appelait précédemment) était adapté à l'époque de la création du FIDA. Il pourrait toutefois être utile de s'interroger sur sa pertinence dans le contexte mondial actuel, particulièrement compte tenu de l'évolution qu'ont connue les États membres du FIDA au fil des ans en matière d'économie, de développement et de géopolitique. L'équipe d'évaluation ne s'est pas attardée sur cette question, mais ce sujet a des incidences sur le plan de l'efficience et il faudra s'en préoccuper à l'avenir.
122. **Indicateurs d'évaluation de l'efficience des projets et de l'efficience institutionnelle** (section VII, pages 123-111). Comme il a déjà été indiqué, IOE a adopté la définition de l'efficience formulée par le CAD de l'OCDE, et le Manuel de l'évaluation d'IOE contient une série de questions sur lesquelles chaque évaluation se penche afin d'apprécier et de noter l'efficience du projet. De surcroît, en vertu de l'accord d'harmonisation conclu entre IOE et la direction du FIDA afin de faire converger le système d'évaluation indépendante et le dispositif d'autoévaluation, la direction a également adopté les mêmes indicateurs pour apprécier l'efficience des projets. La définition et les indicateurs adoptés à cet effet par le FIDA sont conformes aux Normes de bonnes pratiques arrêtées en 2012 par le Groupe de coopération en matière d'évaluation des banques multilatérales de développement en matière d'évaluation des opérations du secteur public.
123. Cependant, il est possible de mieux appliquer ces indicateurs, aussi bien dans le cadre des évaluations indépendantes que dans celui des autoévaluations, afin d'appréhender de manière encore plus précise la performance au niveau des projets. Un écueil important empêche de mieux apprécier l'efficience des projets, à savoir le caractère limité des données de référence disponibles ainsi que des données relatives aux effets et aux impacts enregistrées par les dispositifs de S&E des projets. Ces lacunes compliquent le calcul du taux de rentabilité économique interne à l'achèvement du projet. Par conséquent, le principal problème en matière d'évaluation de l'efficience des projets ne réside pas dans la qualité des indicateurs adoptés par le FIDA, mais dans l'application des méthodes et le manque

d'informations facilement accessibles et exploitables dans le cadre des évaluations indépendantes et des autoévaluations.

124. En ce qui concerne l'efficacité institutionnelle, la décision adoptée par le Conseil d'administration en 2005 y faisait explicitement référence puisqu'elle instaurait un ratio d'efficacité institutionnelle – qui correspond au pourcentage obtenu en divisant la valeur en USD du programme de travail de prêts et dons du FIDA par le montant de son budget administratif annuel. Il a été décidé que ce coefficient ne devait pas dépasser 17,1%, et il a été demandé au FIDA de s'efforcer de l'abaisser progressivement, l'objectif étant de le ramener à 13,5% en 2012. Or, à cette date, le ratio d'efficacité était de 11%, un pourcentage qui respecte tout à fait l'objectif fixé par le Conseil d'administration.
125. Durant la Consultation sur la neuvième reconstitution des ressources du FIDA qui s'est tenue en 2011, la direction a souscrit un certain nombre d'engagements afin d'améliorer l'efficacité institutionnelle du FIDA. En outre, le Cadre de mesure des résultats pour 2013-2015 comprend de nouveaux indicateurs de mesure des effets et de la portée, assortis d'objectifs chiffrés plus ambitieux en matière d'efficacité opérationnelle et institutionnelle³³, afin d'être à même de communiquer des informations plus complètes sur les progrès accomplis et les résultats obtenus.
126. L'évaluation de l'efficacité attire l'attention sur trois questions concernant les indicateurs d'efficacité et les autres indicateurs qui figurent dans le Cadre de mesure des résultats arrêté pour la période FIDA9 et approuvé par le Conseil des gouverneurs en février 2012. Premièrement, les rapports d'achèvement de projets établis par les gouvernements sont évalués par PMD pour l'ensemble des critères qu'ils couvrent (y compris l'efficacité). Ces rapports sont la principale source de données employée pour rendre compte de la performance au regard des 11 indicateurs relatifs aux effets (pertinence, efficacité, efficacité, etc.) obtenus au niveau 2 (contribution du FIDA aux effets et à leur impact sur le développement) du Cadre de mesure des résultats. Ce constat pourrait susciter des doutes quant à la solidité des informations communiquées, étant donné que l'entité responsable de la conception des projets et de l'appui à l'exécution (c'est-à-dire PMD) est également chargée d'évaluer la performance des projets appuyés par le FIDA à leur achèvement. Dans les autres IFI, il est d'usage d'utiliser les données émanant des unités d'évaluation indépendante pour rendre compte au regard du Cadre de mesure des résultats.
127. Deuxièmement, la concertation, le développement des partenariats et la gestion des savoirs font partie intégrante des activités hors prêts du FIDA et les indicateurs du niveau 4 (Efficacité opérationnelle des programmes de pays et des projets) devraient couvrir ces trois aspects, ce qui n'est pas actuellement le cas. En outre, les enquêtes auprès des bénéficiaires sont la principale source d'information utilisée pour évaluer la performance au regard de ces indicateurs; or ils présentent des faiblesses dans la mesure où les taux de réponse varient de manière imprévisible et où les méthodes et processus employés pour obtenir l'avis des bénéficiaires ne sont pas connus. Pour contribuer à remédier à cette lacune, il convient d'inscrire parmi les priorités la nécessité de rendre compte systématiquement chaque année de la mise en œuvre des COSOP et d'instaurer un examen à l'achèvement du COSOP, comme le prévoient les directives actuellement en vigueur.
128. Troisièmement, en ce qui concerne le Cadre de mesure des résultats du FIDA, il serait bon que les indicateurs de mesure de l'efficacité soient formulés de manière plus précise (voir les quelques suggestions proposées dans l'encadré 1 du corps du rapport), de manière à faciliter les comparaisons, qu'une attention plus marquée soit portée à l'impact et aux effets, afin de tenir compte de la spécificité du mandat du FIDA (par exemple au niveau 1), et à la contribution que les partenaires

³³ Voir l'annexe II du document, disponible à l'adresse: <https://webapps.ifad.org/members/gc/35/docs/french/GC-35-L-4.pdf>.

apportent à la reproduction à plus grande échelle. C'est la priorité que le FIDA accorde aux effets et à l'impact qui constitue le fil conducteur essentiel pour évaluer les incidences bénéfiques des méthodes de reproduction à plus grande échelle qu'il applique, ce qui permet de supprimer la dichotomie apparente entre l'"efficacité au niveau des produits", qui relève exclusivement du FIDA, et l'"efficacité au niveau des effets", à la fois plus large et plus pertinente.

IV. Conclusions et recommandations (pages 109-114)

129. **Conclusions** (pages 109-111). Le FIDA est une organisation dont le mandat consiste en priorité à favoriser la réduction de la pauvreté rurale. Les gouvernements des pays bénéficiaires, les populations rurales pauvres et les autres partenaires au niveau des pays apprécient tout particulièrement son rôle, sa contribution et les approches participatives qui constituent son signe distinctif. Le Fonds occupe une place importante dans la galaxie des organisations multilatérales et bilatérales de développement, et il dispose du potentiel nécessaire pour devenir un véritable pôle d'excellence en matière de développement de la petite agriculture.
130. Compte tenu de sa taille relativement réduite par rapport aux autres banques multilatérales de développement et de la spécificité de son mandat, il lui est difficile d'abaisser ses coûts de production en tirant parti d'économies d'échelle et d'améliorer ainsi son "rendement". Cependant, l'équipe d'évaluation a la conviction que le FIDA dispose de perspectives non négligeables pour poursuivre le renforcement de l'efficacité de son programme et de l'efficacité institutionnelle en apportant de nouvelles améliorations aux opérations, au modèle d'exécution et aux processus internes.
131. Pour que le FIDA contribue de manière significative à atténuer la pauvreté rurale, la faim et la malnutrition à travers le monde et qu'il améliore son efficacité en matière d'impact, il est indispensable que les institutions partenaires (notamment les pouvoirs publics) reprennent les programmes financés par le Fonds qui ont porté leurs fruits et les reproduisent à plus grande échelle. Mais pour être en mesure de mobiliser des ressources auprès de ses partenaires afin de financer ce type d'interventions, il faut que le FIDA mette en place des programmes à la fois efficaces, de grande qualité et durables produisant un impact incontestable. La plupart des projets appuyés par le FIDA sont aujourd'hui "plutôt satisfaisants"; il faut donc que le FIDA place la barre plus haut pour mettre en œuvre une plus forte proportion de projets "satisfaisants" ou "très satisfaisants" accordant une place toute particulière à l'innovation et à la créativité.
132. La clé de l'obtention d'un impact plus large réside dans la mise en place dans toute l'institution d'une culture qui mette en avant la responsabilisation au service de la performance, bien au-delà de la réalisation des activités et des produits. Le FIDA a récemment procédé à un certain nombre de changements allant dans le sens d'un renforcement de la responsabilisation, comme l'élaboration du Plan à moyen terme. Cela étant, il lui faut s'écarter davantage d'une culture qui met l'accent sur l'examen et la conformité pour s'orienter vers une culture qui fixe des objectifs et des cibles réalistes, qui accorde une plus grande attention à la mesure et à l'évaluation des résultats, et qui fournit les incitations nécessaires pour encourager une performance satisfaisante tout en mettant en place des mesures et des sanctions plus rigoureuses afin de s'attacher à résoudre le problème des performances médiocres.
133. La présente ENI formule dix grands messages, qui soulignent que ce n'est pas la maîtrise systématique des dépenses dans tous les secteurs qui permettra au FIDA de résoudre le difficile problème d'efficacité auquel il est confronté. La clé de l'amélioration de l'efficacité du FIDA réside dans des investissements technologiques judicieux, le redéploiement systématique des ressources

administratives vers les secteurs à haut rendement, un assortiment de compétences plus performant, un choix plus sélectif des opérations, la délégation de pouvoirs fonctionnels et, surtout, une évolution culturelle donnant la priorité à l'excellence et aux partenariats stratégiques.

- i) **Qualité des projets: des améliorations notables mais l'efficacité des projets n'est pas à la hauteur.** La performance des projets s'est améliorée depuis l'EEI, et les données indiquent que celle des projets financés par le FIDA est meilleure que celle des opérations menées par la BAsD et la BAfD dans le secteur agricole, et fait globalement jeu égal avec celle de la Banque mondiale. Cela étant, l'efficacité reste l'un des critères d'évaluation pour lesquels les projets sont le moins performants. Les trois facteurs qui pèsent sur la préparation des projets et leur efficacité sont la complexité de la conception des projets, en particulier par rapport aux capacités des pays, une analyse insuffisante des paramètres financiers et économiques et les crédits limités consacrés à la conception.
- ii) **La souplesse du FIDA et les approches participatives qu'il utilise sont appréciées, mais il lui faut recentrer son portefeuille d'opérations.** Il est reconnu que le FIDA est très attentif aux besoins des populations rurales pauvres et des gouvernements des pays bénéficiaires, ce qui constitue un trait distinctif de l'organisation. Mais ses opérations sont trop dispersées entre un large éventail de sous-secteurs et de thèmes qui recouvrent un grand nombre de domaines de résultats. De surcroît, les programmes d'appui ne sont pas suffisamment adaptés en fonction des différents pays, ce qui contribue à aggraver cette difficulté. En raison de la dispersion et du manque de différenciation en fonction des pays des programmes bénéficiant du concours du FIDA, il lui est difficile d'atteindre la masse critique de savoir-faire et de compétences nécessaire (voir le point iv) ci-après) pour assurer à ses bénéficiaires des services de grande qualité présentant un bon rapport coût-efficacité, ce qui compromet aussi bien l'efficacité des projets que l'efficacité institutionnelle. Le détachement de CPP est indispensable, mais ce processus a traîné en longueur, et aucune vision globale de la décentralisation organisationnelle au sens large n'a encore été formulée.
- iii) **Des modifications non négligeables ont été apportées au modèle opérationnel.** Au fil des ans, le FIDA a profondément modifié son modèle opérationnel, par exemple avec la mise en place de la supervision directe et l'appui à l'exécution, de la présence dans les pays, et d'un mécanisme d'assurance qualité indépendant. Toutes ces modifications sont indispensables pour améliorer l'efficacité, mais (de même que d'autres mesures qui restent à prendre pour améliorer la qualité des partenariats ainsi que la robustesse technique et le caractère novateur et créatif des opérations du FIDA), elles ont un coût qu'il faut compenser en se montrant plus sélectif dans le choix des stratégies, des thématiques, des pays et des instruments.
- iv) **La structure des effectifs n'est pas encore suffisamment adaptée à l'évolution du modèle opérationnel.** Le savoir-faire du personnel technique de la Division des politiques et du conseil technique du FIDA est trop limité pour lui permettre de participer aux principales missions de conception et de supervision. Les compétences du personnel sont également insuffisantes pour répondre aux impératifs du nouveau modèle opérationnel et à l'évolution des priorités d'intervention, en particulier dans des domaines clés tels que l'agronomie, la participation du secteur privé, et la concertation visant à favoriser la reproduction à plus grande échelle.

- v) **Les processus fonctionnels de l'organisation doivent être adaptés à la décentralisation.** L'efficacité institutionnelle du FIDA est étroitement liée à l'efficacité de ses projets. Le programme de changement et de réforme engagé en 2009 a pour objet de faire du FIDA une organisation plus souple, plus efficace et plus efficace. Toutefois, deux facteurs pénalisent l'efficacité globale du FIDA: la lourdeur des processus fonctionnels de l'organisation, qui se caractérisent par des contrôles préalables draconiens, par exemple pour les décaissements de prêts ou la gestion des ressources humaines (y compris en ce qui concerne les consultants), et un système d'information et de communication insuffisant. Les modifications qu'il faut apporter aux processus fonctionnels de l'organisation et au modèle opérationnel du FIDA pour s'adapter à une architecture décentralisée n'ont pas encore reçu toute l'attention voulue.
- vi) **La responsabilisation au service des résultats suppose un cadre cohérent et facile à utiliser par les responsables et le personnel.** La création d'une plateforme de gestion axée sur les résultats en matière de développement et l'amélioration de la gestion et de l'information budgétaires retiennent actuellement l'attention. Le FIDA a entrepris de mettre en place un cadre de gestion axée sur les résultats et un dispositif d'autoévaluation. Cela étant, le cadre de résultats est complexe et ses différentes strates ne sont pas suffisamment compatibles pour pouvoir procéder facilement à la synthèse des données afin d'établir les rapports. Le FIDA évalue l'évolution des principaux indicateurs et en rend compte en s'appuyant sur les données provenant de son dispositif d'autoévaluation, sans recourir à la validation indépendante d'IOE. Dans le même ordre d'idées, le fait de s'appuyer directement sur des enquêtes auprès des bénéficiaires pour rendre compte des résultats obtenus au regard de certains indicateurs pourrait semer le doute sur la crédibilité, et il faut concentrer davantage les indicateurs sur la mesure de l'efficacité
- vii) **Le FIDA a consolidé la gestion et les processus budgétaires ces dernières années, mais des améliorations sont encore possibles.** Le FIDA a entrepris de consolider l'élaboration, l'exécution, le suivi et l'information budgétaires et d'en améliorer la transparence. Cela dit, les services du budget ne disposent pas du personnel qui leur permettrait de contribuer plus largement à la planification stratégique, à la hiérarchisation des priorités et à l'affectation des ressources au sein du FIDA. Les responsables à l'échelon des divisions et des départements ne sont pas suffisamment comptables de la gestion des résultats et des budgets, en partie parce qu'il n'est pas toujours possible d'accéder à des données et des informations à jour et complètes afin de prendre des mesures correctives à mi-parcours, mais aussi, et c'est là le plus important, parce que les responsables et le personnel ne disposent pas d'un cadre cohérent et complet leur permettant de rendre compte de leur action.
- viii) **Il faut que le FIDA collabore avec les pouvoirs publics chargés de l'exécution des projets afin de trouver des solutions dans les domaines où leur performance est médiocre.** Les capacités des pouvoirs publics et leur performance globale dans le secteur agricole et rural sont l'un des facteurs qui pèsent le plus sur l'efficacité des activités appuyées par le FIDA. La performance des pouvoirs publics dans le cadre des projets financés par le FIDA stagne depuis une dizaine d'années et des difficultés importantes demeurent, surtout aux échelons inférieurs de l'administration. Le FIDA n'a pas pris ce problème à bras-le-corps. Les domaines dans lesquels il pourrait épauler les pouvoirs publics sont le

renforcement des capacités en matière de conception des projets et de préparation des rapport d'achèvement de projet, ainsi que le S&E.

- ix) **La gestion du personnel doit mieux correspondre aux besoins actuels du FIDA.** Depuis quelques années, le FIDA est de plus en plus attentif à la réforme des ressources humaines, et des avancées notables ont été obtenues dans un certain nombre de domaines. Cependant, le Fonds est confronté à plusieurs défis dans le domaine de la gestion du personnel: i) le recours trop important aux consultants pour les compétences techniques nécessaires au fonctionnement du nouveau modèle opérationnel et, en parallèle, le manque de personnel du FIDA à même de mettre des compétences techniques comparables au service des projets et programmes; ii) l'attention jusqu'ici limitée portée à la possibilité de tirer parti de la hausse des effectifs sur le terrain pour remplacer des agents en poste à Rome par des agents en poste sur le terrain; iii) des dépenses de personnel élevées en raison d'une répartition déséquilibrée des grades et de la forte proportion d'agents des services généraux; iv) l'attention insuffisante portée aux compétences dont les CPP ont besoin pour s'acquitter de leur nouvelle mission; et v) une approche frileuse de la gestion de la performance. La nécessité de mettre en place une structure hiérarchique comportant des délégations de pouvoirs fonctionnels claires est un enjeu décisif.
- x) **L'efficacité des organes directeurs du FIDA peut encore s'améliorer.** Globalement, l'architecture des organes directeurs du FIDA est efficace et, compte tenu des mesures récemment approuvées par le Conseil d'administration, la réduction des coûts et l'amélioration de l'efficacité sont en bonne voie. Le Conseil des gouverneurs constitue un espace précieux d'échange sur les enjeux actuels de l'agriculture, mais l'équilibre à trouver entre les activités de gouvernance et les débats sur les questions agricoles mérite réflexion. Compte tenu de l'objectif de poursuite de la réduction des coûts et d'amélioration de l'efficacité d'ensemble de l'organisation, la nécessité de réunir le Conseil des gouverneurs tous les ans est discutable. Globalement, les organes subsidiaires épaulent le Conseil d'administration de manière satisfaisante, mais son ordre du jour est surchargé et ne concentre pas suffisamment l'attention sur l'analyse des politiques, des résultats, des enseignements et des évaluations. L'absence de code de conduite des membres du Conseil d'administration, qui expose l'organisation à des risques d'atteinte à sa réputation, doit retenir l'attention. Il existe des solutions pour améliorer encore le fonctionnement du Conseil d'administration, tout en faisant en sorte qu'il s'acquitte de manière satisfaisante de sa mission essentielle de contrôle et d'élaboration des politiques et des stratégies.

134. **Recommandations** (pages 111-114). L'ENI relative à l'efficacité propose un objectif primordial accompagné de sept recommandations qui concourent à la réalisation de cet objectif. Conformément aux bonnes pratiques internationales en matière d'évaluation, il reviendra à la direction du FIDA de décliner les recommandations issues de l'évaluation en mesures plus détaillées, éventuellement sous forme de plan assorti d'un échéancier recensant un certain nombre d'activités spécifiques et précisant les délais de réalisation. À ce propos, le FIDA n'ignore pas que la direction a souscrit un certain nombre d'engagements clés au titre du programme d'amélioration défini dans le cadre de FIDA9, parmi lesquels "améliorer l'efficacité et l'efficacité institutionnelles du FIDA"³⁴. Par conséquent, il est proposé que ces engagements et les recommandations issues de l'évaluation (après

³⁴ Voir par exemple l'annexe 1 du Rapport de la Consultation sur la neuvième reconstitution des ressources du FIDA, publié sous la cote GC 35/L.4.

examen par la direction et le Conseil d'administration) soient fusionnés en un seul Plan d'action intégré du FIDA; ce document primordial fera référence pour améliorer l'efficacité institutionnelle et aller de l'avant. Le Conseil d'administration pourra être invité à approuver ce Plan d'action intégré avant le lancement de sa mise en œuvre afin de s'assurer que toutes les recommandations issues des évaluations ont été intégralement prises en considération comme il convient.

135. Il est également proposé que l'application des recommandations issues de l'évaluation dans le cadre du Plan d'action fasse l'objet d'un suivi et qu'il en soit rendu compte chaque année dans le Rapport du Président sur la mise en œuvre des recommandations issues de l'évaluation et sur les suites données par la direction (PRISMA), à compter de l'édition 2014. Ainsi, il ne serait pas nécessaire d'établir un rapport distinct pour rendre compte au Conseil d'administration de la mise en œuvre du Plan d'action.
136. **Objectif primordial: Rehausser le niveau de la performance du FIDA proprement dit dans son rôle de partenaire afin de favoriser l'élargissement de l'impact des programmes appuyés par le FIDA.**
L'obtention d'un impact plus large est la clé de l'efficacité en matière d'impact à long terme. Le FIDA devrait s'efforcer de fournir systématiquement des services de grande qualité et d'obtenir des appréciations satisfaisantes ou très satisfaisantes pour l'évaluation de sa propre performance. Cet objectif s'appuie sur les recommandations exposées ci-après.
137. **Recommandation 1: La reproduction à plus grande échelle d'approches innovantes à fort impact issues des projets et programmes appuyés par le FIDA devrait devenir l'objectif du modèle opérationnel du FIDA.** À cet effet, il faudrait que le FIDA se concentre plus nettement sur un certain nombre de thématiques et de sous-secteurs en se montrant plus sélectif et que, en complément de la priorité qu'il a toujours accordée aux projets, il porte une plus grande attention à la gestion des savoirs, au développement des partenariats et à la concertation avec les projets afin d'obtenir un impact plus large. En outre, le FIDA devrait mieux adapter ses programmes de pays, et les budgets qui servent à les financer, en fonction de la situation et des besoins des différents pays, et consolider le processus de préparation des projets en se montrant plus attentif aux aspects financiers et aux considérations d'efficacité et de durabilité, ainsi qu'à l'analyse économique et institutionnelle. Il faudrait également revoir le positionnement du programme de dons pour financer, entre autres, l'appui aux pouvoirs publics afin qu'ils soient en mesure de renforcer leurs capacités en matière de préparation et de mise en œuvre des projets et programmes. Le FIDA devrait élargir l'éventail de savoir-faire techniques dont il dispose en interne au sein de PMD, pour être en mesure de renforcer la contribution de son personnel aux opérations sur le terrain, d'améliorer l'encadrement des équipes – les CPP conduisant en principe toutes les missions opérationnelles importantes – et d'instaurer des mécanismes permettant de rééquilibrer la charge de travail entre les CPP.
138. **Recommandation 2: Formuler et mettre en œuvre une vision claire de la présence sur le terrain et du mode de fonctionnement du FIDA dans un cadre décentralisé.** Il faudrait élaborer une vision de la gestion future du FIDA qui prenne en considération le fait que le détachement de CPP sur le terrain se traduira par le transfert dans les pays concernés d'une part plus importante des prises de décisions. À cet effet, il faudrait définir les relations entre le siège et les bureaux de pays, éclaircir la répartition des responsabilités opérationnelles entre les CPP, les chargés d'appui aux programmes de pays et les directeurs régionaux et s'attaquer au problème de la circulation des savoirs entre pays et divisions régionales dans un cadre décentralisé. Cette vision devrait également s'appuyer sur une analyse intégrée des processus visant à assurer la qualité, en commençant par

la composition des équipes chargées d'assurer la préparation des projets ainsi que la supervision directe et l'appui à l'exécution. Le FIDA devrait également établir une projection réaliste des coûts des bureaux de pays du FIDA et exploiter les possibilités de compenser ces coûts en réalisant des économies dans les services du siège.

139. **Recommandation 3: Gérer les unités de contrôle et d'appui, y compris les fonctions TIC essentielles, en donnant clairement la priorité à l'amélioration de la qualité des services et à la rationalisation des coûts.** Les unités de contrôle et d'appui jouent un rôle important dans l'efficacité d'ensemble du FIDA car les processus qui relèvent de leur compétence ont de très nombreuses incidences sur l'efficacité de l'ensemble des unités du FIDA qui utilisent leurs services. La direction devrait par conséquent élaborer et mettre en œuvre une stratégie clairement définie axée sur la qualité et l'efficacité par rapport au coût des services de contrôle et d'appui; cela permettrait à l'organisation d'obtenir des résultats par des méthodes plus efficaces, qui ne sont pas nécessairement les moins chères. Il est nécessaire de prendre des mesures pour réformer les processus fonctionnels de l'organisation, réduire les dépenses de personnel et rendre l'encadrement davantage comptable des améliorations de l'efficacité. Il faudra affecter des ressources supplémentaires au financement d'importants investissements dans la fonction TIC, dans le droit fil de cette stratégie.
140. **Recommandation 4: Mieux gérer des ressources budgétaires limitées pour obtenir des résultats de meilleure qualité.** L'affectation des ressources budgétaires devrait tenir compte plus clairement du Cadre stratégique du FIDA 2011-2015 et du Cadre de mesure des résultats, et le FIDA devrait se fonder sur le Plan à moyen terme pour définir des orientations précises en matière de choix stratégiques. La répartition des ressources budgétaires entre les divisions régionales et les programmes de pays devrait également prendre en considération deux autres aspects, à savoir les résultats effectivement obtenus, tels qu'ils apparaissent dans le RARI et le RIDE, et la spécificité des contextes nationaux. Ce processus d'élaboration stratégique des budgets suppose un renforcement de l'autonomie de la gestion budgétaire et de la responsabilisation au service des résultats au niveau des départements et des divisions, la modernisation des systèmes d'information budgétaire (enregistrement du temps de travail et comptabilité analytique, notamment) et le renforcement des capacités des services du budget au siège. À ce propos, il serait bon que ces services aient à leur tête un responsable au grade de directeur, épaulé par un encadrement plus nombreux. Il convient de continuer à effectuer régulièrement un suivi des budgets rigoureux, d'en rendre compte et de procéder si nécessaire à des réaffectations de crédits en cours d'année, comme le FIDA le fait depuis peu.
141. **Recommandation 5: Assurer une gestion stratégique de l'éventail des compétences, du coût et de la performance du personnel.** Le FIDA devrait assurer la gestion de la composition des effectifs dans le cadre d'un processus clair et global de planification stratégique pour le personnel répondant au caractère évolutif de la démarche adoptée par le FIDA à l'égard des services qu'il assure. Plus précisément, le FIDA devrait renforcer les compétences techniques spécialisées au sein de PMD (voir la Recommandation 1) et rendre le processus de recrutement des consultants plus rigoureux de manière à s'attacher les services de consultants plus qualifiés. Il faudrait adapter progressivement la structure des dépenses de personnel en exploitant les possibilités offertes par les départs volontaires pour obtenir la souplesse budgétaire nécessaire. L'adoption d'une culture solide de gestion de la performance est le point le plus crucial.
142. **Recommandation 6: Concentrer sur les grandes questions stratégiques le contrôle exercé par les organes directeurs.** Le Conseil des gouverneurs devrait

envisager de déléguer au Conseil d'administration l'approbation du budget administratif du FIDA, y compris celui d'IOE, et de ne pas tenir une session par an. Le Conseil d'administration pourrait alléger son ordre du jour en déléguant au Président du FIDA l'approbation de tous les prêts et dons, ce qui permettrait au Conseil de consacrer une plus grande attention à l'analyse des politiques et stratégies, des résultats, des enseignements et des évaluations. Pour conforter l'intégrité de la structure de gouvernance du FIDA, il faudrait établir un code de conduite du Conseil d'administration comme il en existe dans les autres IFI. Il faudrait aussi élaborer dans les grandes lignes un mandat des membres du Conseil d'administration afin d'aider les États membres dans la désignation de leur représentant au Conseil d'administration du FIDA. Le Comité d'audit devrait envisager de faire appel aux compétences d'experts n'appartenant pas au FIDA pour les points importants de l'ordre du jour concernant la surveillance, les contrôles et les risques en matière financière.

143. **Recommandation 7: Inculquer une culture institutionnelle de la responsabilité et de la performance et mettre davantage l'accent sur la nécessité de rendre compte au service des résultats.** Il est nécessaire de renforcer la culture de la responsabilité, car il s'agit d'un atout crucial pour atteindre l'excellence à tous les niveaux. À cet effet, les mesures suivantes doivent être prises: multiplier les délégations de pouvoirs fonctionnels à l'encadrement pour les questions opérationnelles, administratives et financières; mettre en place à l'intention des responsables et du personnel des "contrats" de responsabilisation et de performance exposant clairement les attentes en matière de performance de l'encadrement et du personnel. Le FIDA devrait examiner de plus près la question de l'instauration d'une fonction de conformité plus visible. Par ailleurs, il est nécessaire de poursuivre la consolidation du Cadre de mesure des résultats de FIDA9 en se fondant sur les principes suivants: i) renforcer la spécificité et la robustesse des indicateurs de mesure de l'impact et de la portée, notamment de manière à pouvoir suivre l'objectif qui consiste à tirer 80 millions de personnes de la pauvreté d'ici à 2015; ii) ajouter aux critères d'évaluation des programmes de pays un indicateur de mesure de la reproduction à plus grande échelle s'appuyant sur la mesure des principales activités hors prêts (concertation, développement des partenariats et gestion des savoirs); iii) affiner les paramètres de mesure de l'efficacité institutionnelle, notamment en mettant en place des indicateurs quantitatifs de mesure des produits; iv) mesurer la contribution que les bureaux de pays apportent au programme de travail du FIDA; v) rendre compte de manière systématique des résultats effectifs au regard des données de référence et des résultats prévus et tirer les enseignements des écarts constatés; et vi) s'appuyer autant que possible sur les données émanant d'IOE pour procéder aux analyses rétrospectives et établir les rapports. On trouvera à l'encadré 1 du corps du document des précisions sur les changements qu'il est recommandé d'apporter au Cadre de mesure des résultats.

V. Dernières réflexions en guise de conclusion

144. Les recommandations formulées ci-dessus, prises isolément, ne peuvent pas toutes s'appliquer à budget constant. Certaines d'entre elles supposent une modification de la composition des effectifs ou une réorganisation, tandis que d'autres nécessitent des ressources supplémentaires. Cependant, il ressort des estimations établies dans le cadre de l'ENI que, à condition de se montrer plus sélectif dans le choix des opérations, le FIDA dispose d'une marge de manœuvre budgétaire suffisante (en particulier si un budget d'investissement est affecté au financement des lourds investissements dans les TIC nécessaires pour améliorer l'efficacité administrative à long terme), de sorte que, même dans l'hypothèse d'un budget constant, il est possible d'obtenir des gains d'efficacité et de procéder à des réaffectations qui permettraient de commencer la mise en œuvre au cours de la

période de reconstitution actuelle. Il faudrait pour cela que le FIDA exploite de manière stratégique les possibilités qu'offrent les départs naturels et les incitations à la retraite anticipée et évite la redondance des fonctions et des effectifs entre les bureaux de pays et le siège. D'un autre côté, les restrictions budgétaires sont susceptibles d'entraîner des répercussions non négligeables sur l'efficacité du FIDA, notamment l'efficacité des programmes et de leur gestion. Il faudra que la direction du FIDA et le Conseil d'administration pèsent les avantages et les inconvénients sous-jacents et veillent à ce que les économies à court terme ne se fassent pas au détriment de l'efficacité et de l'impact à long terme.

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8. Achim von Heynitz – *Structure d'organisation, de direction et de décision, et Gestion des résultats et des budgets*
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**Main report of the corporate-level evaluation
of IFAD's institutional efficiency and
efficiency of IFAD-funded operations**

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Working Papers

Several working papers were produced as part of the evaluation. See footnote no. 6 in the Overview. The working papers will be disclosed to the public at large once they have been edited in accordance with IFAD guidelines.

Abbreviations and acronyms

ADM	Administrative Services Division
AfDB	African Development Bank
ARPP	Annual Report on Portfolio Performance
ARRI	Annual Reports on Results and Impact of IFAD Operations
AsDB	Asian Development Bank
AUO	Office of Audit and Oversight
CFS	Controller's and Financial Services Division
CLE	corporate-level evaluation
COM	Communications Division
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPM	country programme manager
CPMT	country programme management team
CPR	corporate performance report
CRA	Change and Reform Agenda
CSD	Corporate Services Department
CSSG	Corporate Services Support Group
DSIS	direct supervision and implementation support
EB	Executive Board
EBRD	European Bank for Reconstruction and Development
ECSA	Executive Committee of the IFAD Staff Association
EO	Ethics Office
ESA	East and Southern Africa Division
FAO	Food and Agriculture Organization of the United Nations
FOD	Financial Operations Department
FTEs	full-time equivalents
GS	General Service staff
GC	Governing Council
HQ	headquarters
HR	human resources
HRD	Human Resources Division
IA	Internal Audit
IADB	Inter-American Development Bank
IAS	International Accounting Standards
ICO	IFAD Country Office
ICT	Information and Communication Technologies
ICTD	Information and Communication Technologies Division
IDA	International Development Association
IDB	Inter-American Development Bank
IEE	Independent External Evaluation of IFAD
IFAD	International Fund for Agricultural Development
IFI	international financial institution
ILO	International Labour Organization
IOE	Independent Office of Evaluation of IFAD
KM	knowledge management
KPI	key performance indicators
LA	Loan Administration
LAC	Latin America and the Caribbean Division
LEG	Office of the General Counsel
LGS	Loans and Grants System
M&E	monitoring and evaluation
MTP	Medium-term Plan
NEN	Near East, North Africa and Europe Division
NGO	non-governmental organization
O&M	operations and maintenance

O&S	oversight and support units
OPV	Office of the President and Vice-President
PBAS	performance-based allocation system
PC	project coordinator
PCD	project completion date
PCR	project completion report
PCU	project coordination unit
PES	Performance Evaluation System
PFS	Project Financial Statements
PMD	Programme Management Department
PMU	project management unit
POLG	Programme of Loans and Grants
POW	programme of work
PRM	Office of Partnership and Resource Mobilization
PSR	project status report
PTA	Policy and Technical Advisory Division
QA	quality assurance
QE	quality enhancement
RBM	results-based management
RIDE	Report on Impact and Development Effectiveness
RIMS	Results and Impact Management System
SEC	Office of the Secretary
SEU	Security Unit
SKM	Strategy and Knowledge Management Department
TA	technical assistance
TOR	terms of reference
TRE	Treasury Services Division
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VP	Vice-President
VSP	Voluntary Separation Programme
WCA	West and Central Africa Division
WFP	World Food Programme

I. Evaluation context and framework

A. Purpose and definitions

1. The purpose of this CLE is to assess IFAD's efficiency, review past and on-going efforts to improve it, and recommend actions to enhance efficiency sustainably. Consistent with the OECD/DAC guidelines, IFAD and this CLE define efficiency as a measure of how economically resources are converted into results. Based on the logic of the related results chains, the results comprise outputs, outcomes or impacts, leading to three different levels of efficiency. While all three can be useful in different contexts, the further down the results chain the results are measured, the more meaningful the resulting efficiency measures will be from a developmental perspective.
2. Wherever feasible, the emphasis of the CLE has been on impact efficiency, with a focus on scaled-up impact. Hence the evaluation avoids a narrow focus on output-based efficiencies so as not to undermine realization of relevant outcomes- and impacts-based efficiencies.³⁵ Underinvestment in ICT exemplifies the trade-off in improvements in output efficiency that undermined outcome and impact efficiency.
3. In a number of comparative assessments of performance across development organizations and bilateral programmes, IFAD ranks well on several dimensions (e.g. reliance on country procurement and financial management systems) but it ranks below the average on measures relating closely to efficiency with respect to administrative costs (annex IV), e.g. 22nd out of 31 in "low administrative unit costs" and 27th out of 39 in minimizing overhead; it gets a low score of 2 (weak) in "cost and value consciousness" compared with a 3 (satisfactory) for other multilateral organizations. At the project level, efficiency and sustainability are the lowest-rated criteria of performance, with little improvement in recent years.

B. Recent developments and reforms

4. IFAD is well recognized as a leader in the fight against rural poverty in developing countries. However, the scale of its resource transfers to Member States (and thus direct impact) remains small, both absolutely and relative to the rural poverty challenge. To make a significant global impact in reducing rural poverty, IFAD must intensify its efforts to achieve a scaled-up impact. It must work more effectively with local and central governments to mainstream lessons from successful projects in specific locations, and with development agencies, the private sector and NGOs to replicate successes on a much larger scale.
5. IFAD implemented most of the recommendations arising from the IEE and has largely delivered on the commitments under the Eighth Replenishment. It significantly expanded its programme of loans and grants (POLG) as well as its programme of work (POW)³⁶ since 2009. The POLG has increased from about US\$600 million in 2008 to US\$1.16 billion (estimated) in 2012 (table 1). The POW has more than doubled over this period from US\$1.1 billion to US\$2.6 billion, supported by a sharp increase in domestic contributions from US\$280 million to US\$830 million. This has resulted primarily from larger loans and projects; the number of loans approved each year has remained relatively steady between 29 and 34.
6. IFAD has introduced new operational processes and a new business and delivery model. Significant elements include the performance-based allocation system (PBAS), results-based COSOPs with a recent emphasis on ensuring that the country strategies are indeed programmatic in nature, the shift away from cooperating institutions to DSIS and, most recently, expanded country presence. These are fundamental changes.

Table 1
IFAD at a glance

³⁵ The quality of the related results chains and the plausibility of the intervening assumptions between outputs and impacts assume a critical role in assuring congruence between the different measures of efficiency.

³⁶ Defined to include all funds from all sources.

	2007	2008	2009	2010	2011	2012*
Programme of loans and grants (US\$ millions)	556	593	709	845	998	1 157
Programme of work (US\$ millions)	1 215	1 144	1 363	2 427	2 191	2 632
Number of loan and DSF grant approvals*	34	29	32	33	34	
Number of IFAD country offices	14	27	30	30	30	
Number of recipient countries/territories (current portfolio)	85	88	91	96	97	
IFAD administrative budget*	101	111	115	132	141	144
Total staff (full-time equivalents [FTEs])	446	450	454	501	532	575
IFAD consultant FTEs		211	228	290	302	

* Comprehensive data to be provided when final 2012 data is available.

Source: IFAD Annual Reports; Annual results-based programme of work and administrative and capital budgets.

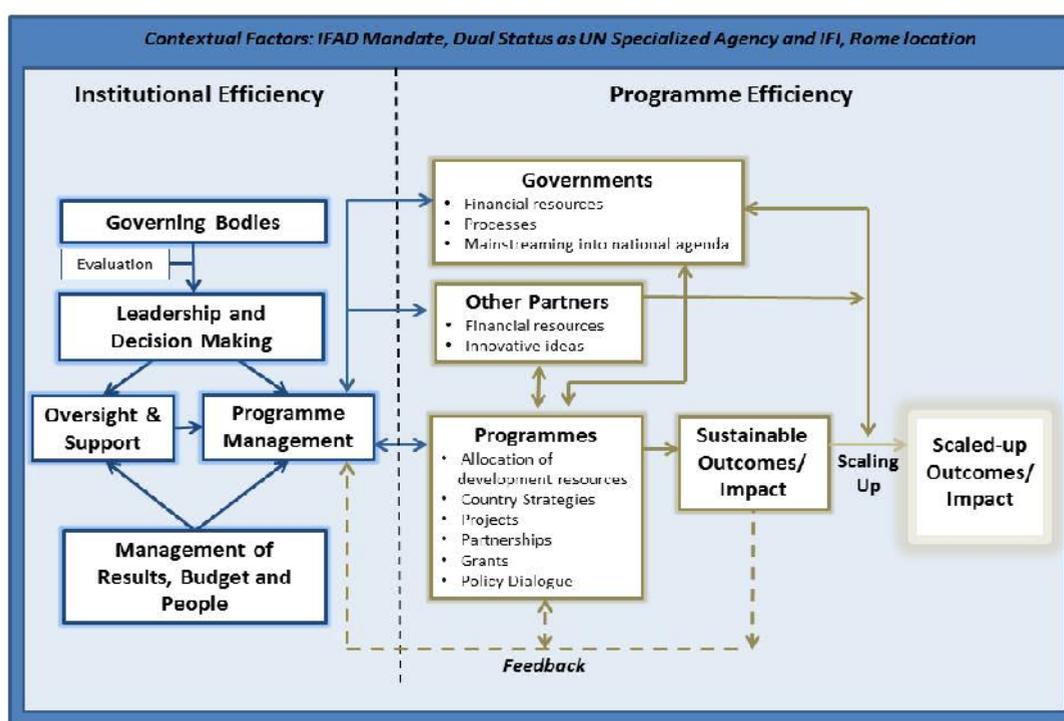
7. Staffing has increased steadily, partly as a response to changes in the business model. Overall staffing has increased from 454 in 2009 to 575 in 2012. In line with IFAD Management's intent, much of the increase has occurred in the Professional Staff category, mostly within PMD. PMD staffing in 2012 accounted for about 50 per cent of total staffing (up from about 40 per cent in 2009) and a much higher 58 per cent of professional and equivalent staff. The reliance on consultants increased (and remains) at 300 FTEs in 2011. The professional staff-to-consultant ratio in 2011 IFAD-wide was at 0.96 and in PMD at 0.62.
8. Management has taken several initiatives in the last four years to increase efficiency across IFAD. These include the Change and Reform Agenda (CRA) initiated in 2009, the job audit and strategic workforce plan in 2012, the introduction of results-based budgeting in 2010, zero-based budgeting for 2011 budget preparation and zero (or close to zero) real budget growth for activities other than client services since 2007. The importance attached to efficiency improvement has been confirmed in management decisions over the last several years as articulated in such corporate documents as the Strategic Framework for 2011-2015, the Results Measurement Framework for 2013-2015, and the papers produced for the consultation with Member States on IFAD's Ninth Replenishment.³⁷ Management's emphasis on efficiency improvement is also evident in the issues and proposed actions discussed at the Executive Management Committee (EMC) retreat in July 2012.
9. Under IFAD's Eighth Replenishment, Management's main instrument for improving efficiency is the CRA. It has five main elements: strengthening IFAD's organizational structure and streamlining decision-making; ensuring efficient use of resources by aligning the Fund's financial and human resources with its strategic objectives; implementing reforms in human resource management to better manage staff performance; strengthening financial management to improve the efficiency of financial services; and improving business processes throughout the organization to increase efficiency gains. On-going initiatives in these areas have been preceded by external reviews. Management recognizes that these elements need to be addressed in parallel with full implementation of IFAD's new business model.
10. IFAD is in transition from a purely financing institution to a development organization, one that takes responsibility for country assistance, design, supervision and implementation support. It will take some time for the impact of many management decisions and reforms in recent years to be realized fully.

³⁷ The paper Managing for efficiency in IFAD: Progress under IFAD8 and proposals for IFAD9 (REPL IX-3-R-2) and the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (GC 35/L.4, dated 25 January 2012) include key commitments to improve cost and process efficiency over the IFAD9 period.

C. Conceptual framework and objectives

11. The conceptual framework of the CLE splits IFAD's efficiency into programme efficiency and institutional efficiency (figure 1). Programme efficiency focuses on results from the use of resources entrusted to IFAD for supporting development outcomes and impacts in its member countries;³⁸ and institutional efficiency is a measure of how well IFAD uses its administrative budget to deliver and manage its development programmes. The results extend beyond direct impact to scaled-up impacts that depend on the complementary actions of IFAD's partners. As the primary interface with IFAD's clients, PMD is at the core of institutional efficiency. Institutional efficiency also covers IFAD's oversight and support functions as well as its management of results, budgetary resources and people. All of these institutional activities are in turn influenced by the efficiency of executive decision-making and IFAD's governing bodies. Under both institutional efficiency and programme efficiency, the analysis focuses on the input, output, outcome and impact stages of the results chain. Finally, the CLE pays particular attention to the trade-offs between efficiency at the different levels.

Figure 1
Conceptual framework



Source: CLE

12. The theory of change leading to scaled-up impact, at a very simplified schematic level, is also illustrated in figure 1. The left block illustrates the elements of IFAD that support programme management in delivering programmes. The block on the right shows the composition of IFAD's programmes as well as the role of governments and other partners in providing resources and knowledge. This role extends beyond the direct IFAD-funded programmes and its outcome and is even more important at the next stage in contributing to scaled-up impact. IFAD's influence declines as the focus shifts from outputs to outcomes and impact. In particular, scaling up is an inherently collaborative process that relies on the engagement and cooperation of clients and partners.

³⁸ Historically, project financing dominated IFAD's programmes, efficiency of IFAD-supported projects was also a reasonable proxy for the programme efficiency.

13. The evaluation has six main objectives. These are to evaluate the:
 - (i) Efficiency of IFAD's programmes, including country strategies, projects, grants, policy dialogue and partnerships, with particular attention to scaled-up impact;
 - (ii) Institutional efficiency of IFAD's programme management as well as its oversight and support functions;
 - (iii) Implications of the Governing Bodies on IFAD efficiency;
 - (iv) Institutional efficiency implications of IFAD's management of results, budgets and people;
 - (v) Implications of recipient country context and government processes that affect both institutional and project/programme efficiency of IFAD; and
14. The sixth objective is to develop recommendations for IFAD to enhance its efficiency at all levels and propose indicators for monitoring and assessing IFAD's programme and institutional efficiency.

D. Methodology, limitations and process

15. The CLE on efficiency focuses on IFAD's activities since 2005, following the Independent External Evaluation of IFAD (2005). In recent years, IFAD has taken a number of actions to increase its efficiency: the CLE assesses the success of these measures and their long-term sustainability, judging whether they constitute a tangible set of planned steps coordinated across the institution.
16. The CLE has relied on a mix of methods to draw conclusions from a variety of data sources:
 - (i) **Desk review and data analysis.** IFAD has a number of internal documents (annex II) and databases that provided useful information for the evaluation. The evaluation team reviewed a large number of policy, process, operational and programme/project documents. Past initiatives together with subsequent action plans and progress reports provided helpful reference points. The evaluation also draws on existing independent and self-evaluation materials available in IFAD. In particular, it has used existing independent evaluative evidence from published IOE reports including the ARRIs, other CLEs (e.g. on rural finance, innovation and scaling up, gender, private sector, direct supervision, field presence, and agriculture in Africa, etc.), and selected country programme evaluations (CPE). Where appropriate, these have been supplemented by portfolio management data from PMD, quality enhancement data from PMD's Policy and Technical Advisory Division (PTA) and data from the Quality Assurance (QA) Secretariat. Where feasible, relevant data from comparator organizations has been used to put IFAD data in perspective; budget and expenditures of other IFIs and United Nation agencies were taken from the budget documents of each institution.
 - (ii) **IFAD audits, self-evaluations and relevant analyses.** Other important inputs included the results of audits carried out by AUO, self-evaluations undertaken by PMD and external reviews and analyses prepared by Management as part of the CRA and for Consultations on the Ninth Replenishment of IFAD Resources.
 - (iii) **Interviews.** The desk reviews were supplemented by interviews with multiple stakeholders: members of the Board and the Evaluation Committee, staff (and consultants) and managers across IFAD, and client counterparts and staff of selected country offices (see also (vi) below). The interviews were guided by a structured set of questions where appropriate.

- (iv) **Focus group discussions.** The team also held discussions in focus groups of CPMs, Professional staff in oversight and support units, and GS staff.
 - (v) **Surveys.** Anonymous, electronic surveys of different stakeholders – Executive Board members, technical staff and managers of IFAD, CPMs and GS staff – have further added to the evaluation’s evidence base by soliciting the perspectives of knowledgeable individuals on topics of interest to them.
 - (vi) **Country studies.** Five country case studies were conducted. These covered Honduras, India, Mali, Uganda and the United Republic of Tanzania. The purpose of the case studies was to develop insights at the country-level concerning the implications of client context and government processes on IFAD’s efficiency.
17. The CLE is constrained by several factors:
- (i) It is the first evaluation focused on efficiency ever carried out for a multilateral institution and thus cannot rely on any pre-established framework. The treatment of efficiency at three levels – output, outcome and impact (including scaled-up impact) – is also unprecedented. This limitation is compounded by the fact that there is necessarily a long gestation period for achieving development impact in Member States; the period to achieve the aspired scaled-up impact is even longer;
 - (ii) As noted earlier, significant changes to business processes and to the business and delivery model have been initiated in recent years and the organization remains in transition. The impact of many changes inevitably lags the changes and has not yet been fully realized making it a challenge to carry out an evaluation;
 - (iii) IFAD lacks information on the full costs of its activities, since it is unable to attribute staff costs to diverse services and activities. Since such costs account for some two-thirds of IFAD expenditures, it is not easy to carry out efficiency analyses or to monitor efficiency improvements; and
 - (iv) IFAD has made less progress than some comparator organizations with respect to databases and its capacity for enterprise analytics such as analysis pulling together staffing, other budgetary costs, activity timelines and programme/portfolio performance.
18. The candour and openness shown by IFAD staff and managers at all levels, as well as members of the Board and its subsidiary bodies in their interactions with the evaluation team has been of great help in filling some of the data gaps. Nevertheless, recognizing the above constraints and limitations, the focus in this evaluation has been on providing pragmatic guidance for improving future performance with careful triangulation of data from different sources. The resulting recommendations are considered robust even if in some cases the related findings may not meet the stringent standards of evidentiary basis needed to establish accountabilities for the past performance.
19. The evaluation was organized in four major phases: (i) inception; (ii) desk review; (iii) country case studies and discussions with comparator organizations; and (iv) preparation of the final report. The inception phase included building on the approach paper to develop further the evaluation methodology and the framework and instruments for data collection. The main deliverable from this phase was the inception report.³⁹ The desk review phase included a review of numerous key documents, electronic surveys, collection and analysis of data, and bilateral and focus group discussions with IFAD Management and staff as well as with members

³⁹ The inception report was shared as a background document with the Evaluation Committee at its Seventy-fourth session in November 2012 (www.ifad.org/qbdocs/eb/ec/e/74/index.htm).

of the Executive Board and the Evaluation Committee. The desk review phase led to the production of a number of working papers and an interim report was shared with Management for review and comments. The Interim Report benefited from discussion with the Senior Independent Advisors.⁴⁰

20. Following the desk review phase, five country case studies were conducted in Honduras, India, Mali, Uganda and the United Republic of Tanzania. In most cases, national consultants undertook the case studies under the guidance of IOE and the CLE team. The purpose of these case studies was to examine the government processes related to IFAD activities and understand their implications for the efficiency of IFAD-supported activities. During this phase, the team also held discussions with and collected data from comparator organizations (e.g. World Bank, African, Asian and Inter-American Development Banks, Food and Agriculture Organization of the United Nations and others) for the final report.
21. The last phase of the evaluation was the production of the draft final report, during which IOE considered the detailed comments of Management on the interim report. The main findings were presented to the Evaluation Committee at its session in November and the Executive Board in December 2012, and their feedback has also been factored into the final report. The draft final report was shared with IFAD Management in January 2013 and their comments on this have been taken into account in the preparation of the final report that will be discussed by the Evaluation Committee and Executive Board in April 2013, together with Management's written response.

II. Programmes and programme management

A. Context and objectives

22. Despite important gains over the past two decades, rural poverty remains a daunting developmental challenge. A billion rural inhabitants still live on less than US\$1.25 a day.⁴¹ Around the globe, a similar number also suffer from hunger and malnutrition.⁴² IFAD is well recognized and valued as an institution dedicated to the eradication of rural poverty and improving food security in developing countries. As the only IFI focused exclusively on rural poverty and food security, IFAD rightly aspires to have global impact in these two results areas. However, IFAD's resource transfers to Member States (and thus its direct impact) remain small both in absolute terms and relative to the challenges in its mandated areas. Accordingly, IFAD must adapt its business model to its size and its comparative advantages, and cannot afford to replicate simply the roles, functions and performance standards of other, much larger IFIs.
23. IFAD has long understood that scaling-up successful innovations by leveraging its own resources with those of others – of client governments as well as of other partners – is essential for enhancing its global influence and impact. Leveraging the resources of other partners requires, in turn, demonstrated success in the products and services IFAD provides to its clients. It also requires a results-driven business model that emphasizes selectivity, calculated risk-taking, learning and adaptation, knowledge sharing and outreach.
24. PMD is the primary interface between IFAD and its clients. It is also the largest unit within IFAD, currently accounting for about 50 per cent of all IFAD staff and about 55 per cent of its administrative budget (see table 2). This section sets out the main findings of the CLE on PMD performance bearing upon IFAD's programme efficiency (a measure of how well IFAD deploys resources entrusted to it for supporting development outcomes and impacts in its member countries) and its

⁴⁰ They are: Robert Picciotto, former Director General and Senior Vice-President, Independent Evaluation Group of the World Bank, and Richard Manning, former Chairman of the OECD/DAC.

⁴¹ Rural Poverty Report, IFAD, 2011

⁴² Ibid

programme management efficiency (economy in the use of its administrative budget for delivering and managing its development programmes, i.e. the institutional efficiency of PMD). The focus is on impact efficiency, including impact through scaling up. However, where appropriate, output and outcome level efficiencies are also considered since IFAD has greater control over them and they often pave the way towards impact and sustainability.

25. In evaluating PMD performance, the CLE team focused on whether PMD was doing the right things and whether it was doing them right, with imperatives of scaled-up impact as the guiding framework. In the context of IFAD's mandate and resource availability, and considering PMD's own responsibilities within IFAD, this meant looking at:
- (i) Focus and selectivity in allocation of IFAD's developmental resources among different countries and themes;
 - (ii) Quality of IFAD's country programmes (alignment with strategic framework, customization to meet different country contexts, coherence and synergies among the product-mix and realism of results frameworks);
 - (iii) Efficiency of the projects supported by IFAD: whether their benefits exceed the costs, whether their designs reflect least-cost solutions, and whether they are implemented efficiently;
 - (iv) The value for money provided by the grants programme as well as effectiveness of IFAD's non-lending activities including knowledge management (KM), policy dialogue and partnership building;
 - (v) Appropriateness of IFAD's delivery model (including team composition, team leadership, staff skills, QA processes, country presence and DSIS) for delivering a high level of performance and fostering scaling up of impact, and the implications for efficiency and effectiveness; and
 - (vi) Impact of recipient country context and government processes on IFAD performance and efficiency.

Table 2
PMD at a glance

<i>PMD at a glance</i>	2005	2006	2007	2008	2009	2010	2011	2012*
Number of loan and DSF grant approvals ^a	31	27	34	29	32	33	34	
Value of loan and DSF grant approvals (US\$ millions) ^a	499	515	520	552	662	794	947	1 157
Number of grant approvals ^a	66	109	77	70	99	88	83	
Value of grant approvals (US\$ millions) ^a	37	42	36	41	47	51	50	
Total programme of work ^a	1 028	907	1 215	1 144	1 363	2 427	2 191	2 632
Cofinancing ^a	124	96	425	305	312	677	412	
Domestic contributions ^a	419	291	274	283	364	934	832	
Number of COSOPs ^b approved	11	6	15	9	9	6	8	
Number of IFAD country offices ^c	13	14	14	27	30	30	30	30
PMD staff			157	168	178	195	272	295
Total PMD administrative budget (US\$ million)			51	58	61	72	79	81

* Comprehensive data will be added before final publication.

^a IFAD Annual Reports and Second Draft of PMD Medium-term Plan for IFAD9 (2013-2015)

^b IFAD Executive Board documents

^c IFAD Country Presence Policy and Strategy (EB 2011/102/R.10/Rev.2)

Source: IFAD annual reports

B. Principal findings

Focus and selectivity

26. **The performance-based allocation system (PBAS), introduced in 2003, is currently the main instrument for allocating IFAD's programme resources among the eligible member countries.** Fashioned after similar systems in other IFIs, it represents customization in two important respects: it uses a country's rural population, rather than total population, to establish needs, and it supplements the Country policy and institutional assessment index with an index of Rural sector performance to link allocations to country performance. It has been refined several times (most recently in 2010), with guidance from a working group of IFAD's Executive Board, based on experience in the use of PBASs in IFAD and in other IFIs.
27. **IFAD's current country allocations reflect adequate poverty focus but are not sufficiently aligned with its scaling-up agenda.** Analysis of IFAD's country lending patterns indicate that over time, IFAD's commitments have shifted markedly towards the least developed countries – from about 36 per cent during 1991-95 to 44 per cent during 2001-05 and to 47 per cent during 2006-11. IFAD's current country allocation patterns appear quite similar to those for IDA⁴³ – suggesting reasonable trade-offs between needs and performance. However, considering the "mission-critical" nature of the scaling-up agenda in IFAD's business model, the current PBAS formula needs to factor in the leverage achieved by IFAD in different countries through cost sharing by clients and cofinancing by partners. As noted in several IOE evaluations, cost-sharing in IFAD programmes by

⁴³ Allowing for differences in their respective mandates – unlike IDA, IFAD's mandate also covers middle-income countries.

- some of the better-off countries have tended to be rather low.⁴⁴ It should be reasonable to expect higher cost sharing from the MICs, thereby expanding the overall size of the POLG and the resources available for the poorer countries.
28. Explicit recognition of leveraging through cost sharing would promote better programme quality through greater client ownership. Additionally, this approach could increase client receptivity to IFAD partnering with other cofinanciers.⁴⁵ Early involvement of other partners in IFAD-supported projects would, in turn, increase the prospects of subsequent replication of successful projects through partner resources.⁴⁶
29. **IFAD's institutional efficiency is limited due to inadequate country selectivity in its lending programmes as well as complexity in the PBAS implementation.** The current PBAS is leading to very small allocations to many countries, contributing to low programme management efficiency. The number of countries with active IFAD programmes expanded from 90 to 118 between the Seventh and Eighth Replenishments. More importantly, under the Eighth Replenishment, some 30 countries had allocations of US\$5 million or less over a three-year period (2010-2012). Given the inevitable fixed costs associated with IFAD's project cycle,⁴⁷ maintaining meaningful lending relationships with these countries implies significant adverse impacts on IFAD's institutional efficiency.⁴⁸ Efficiency considerations would suggest therefore both greater country selectivity as well as alternative delivery mechanisms for assisting countries with small programmes in a cost-effective manner.⁴⁹ If such an approach is considered inconsistent with IFAD's mission and mandate, it would unavoidably lower IFAD's institutional efficiency and should be recognized transparently in IFAD's reporting to its governing bodies. In view of the relatively minor year-to-year changes in country allocations, the current practice of re-estimating PBAS allocations annually appears to be low value-added.
30. **Insufficient thematic focus in IFAD-supported programmes is constraining operational excellence and efficiency.** Broad directions for the thematic focus of IFAD assistance are provided through IFAD's Strategic Frameworks and Lending Policies and Criteria.⁵⁰ Rather than making those directions normative (as for country allocations), IFAD has left the choice of thematic areas to country customization through the COSOP process. However, the number of different results areas that IFAD has worked on over the past decade suggests the need for more pointed guidance on the need for greater selectivity through the Strategic Frameworks. Disaggregated data on IFAD's lending programmes since 2001 indicates IFAD's involvement in 14 subsectors with anticipated results in 64 different results areas.⁵¹ In 24 of these areas, total IFAD support over the 10-year period amounted to less than US\$25 million each – too little to build adequate in-

⁴⁴ 13 per cent in Indonesia compared to 28 per cent in Benin and 27 per cent in Eritrea (ARRI 2010).

⁴⁵ Client concerns about the value added of IFAD cofinancing with other MDBs is apparently an important reason for absence of such partnerships in several major clients (e.g. India, Viet Nam).

⁴⁶ Designed properly, there is no reason that this refinement of the PBAS should bias the IFAD programmes against the poorer and the fragile states; indeed the objective will be to help them further by expanding the overall IFAD programmes. If necessary the cost-sharing formulae can be suitably normalized to recognize the limited fiscal capacity of the poorer states.

⁴⁷ Typically, project cycle costs to IFAD (including project preparation, appraisal, supervision and implementation support) amount to about US\$1 million and are largely invariant to the loan size.

⁴⁸ One consequence of this, under PMD's current delivery model, is large variation in the workload of different CPMs.

⁴⁹ See, for example, findings from the recently completed Jordan CPE.

⁵⁰ Priority activities for IFAD support include those that:

- (a) result in marked increase in output of cereals and other basic food stuffs, including livestock and fishery products for direct consumption within the producing country;
- (b) deliver a major portion of benefits to the small farmers and the landless;
- (c) induce larger flows of national resources to agriculture and improve the country's ability to organize the rural sector and mobilize the rural population; and
- (d) promote domestic and external trade in food products or other forms of economic cooperation among developing countries in respect of food production.

⁵¹ ARPP 2011, attachment 1, table D

house expertise and critical mass of related technical skills.⁵² Even if consultants were hired for all these activities, it would be difficult for IFAD to maintain the institutional ability to properly manage consultant teams in 64 different results areas. The insufficient thematic selectivity also leads to complexity in tracking portfolio performance and results, possibly also to compromising the reliability and usefulness of IFAD's Results and Impact Monitoring System (RIMS).

31. **Given the diversity of its clientele and the demand-driven nature of its assistance, IFAD understandably requires a reasonably large menu of choices to be responsive to member needs.** There is much to be commended about IFAD's client-centric, bottom-up approach. However, given its size and capacity, IFAD cannot expect to help address all the problems of all its clients. As a practical matter, its client-responsiveness must be balanced against the imperatives of delivering high-quality support in an efficient manner. Without making judgements on the relative priorities of the different results areas, it would appear that the current thematic mix is too diffused for IFAD to mobilize the requisite expertise and knowledge to serve its clientele efficiently.⁵³ By "greater selectivity" this CLE does not mean to deny the importance of any particular results area in a specific country context but rather to call for better division of responsibility with other partners, allowing IFAD to build a critical mass of expertise in areas most important to IFAD clientele as a whole. A possible framework for making such choices would consider factors such as past evaluative results, likely future role and demand among IFAD clientele, current skills-mix in IFAD, and existence of other partners specializing in various areas. A starting point for such scrutiny could be the 24 results areas identified in the preceding paragraph.

Quality of country programmes

32. **Results from IOE's 16 country evaluations since 2007 are encouraging.** Overall performance for all but one of the 16 country programmes was rated in the satisfactory zone, putting IFAD well ahead of the performance of other MDBs.⁵⁴ In particular, good results were reported for the relevance and effectiveness of the country programmes as well as for the overall portfolio performance (figure 2). Overwhelmingly however, COSOP performance has been moderately satisfactory; only four CPEs rated COSOP performance (in India, Mozambique, Rwanda and Viet Nam) satisfactory and none was rated highly satisfactory.
33. **There have been improvements in recent years in policy dialogue, KM and partnerships. However, these areas remain the lowest rated dimensions of COSOP performance.**⁵⁵ Only one COSOP (Argentina) was rated satisfactory for these non-lending activities. Limited resources and staff skills and poorly defined agendas are major factors constraining effectiveness in IFAD's policy dialogue at the country level.⁵⁶ Similarly, lack of specific initiatives, mechanisms and dedicated resources impeded the contribution of KM to country results.⁵⁷ Also often overlooked has been the critical role of operational excellence to catalyse partnerships needed for scaling-up and leveraging. On partnerships, IOE evaluations suggest good efforts and results by IFAD with governments, NGOs and civil society, and less so with private sector and multilateral/bi-laterals. Weak

⁵² These areas included animal feed, fisheries/marine conservation, fishing (capture), fruit trees, horticulture, mechanization, pest management, irrigation management, education, health and nutrition, literacy, processing, storage, land reform, legal assistance, standards and regulations, insurance, venture capital, communications, culture, disarmament, disaster mitigation, post-crisis management and rural settlements.

⁵³ Excessive complexity of projects as pointed out consistently by IOE and the QA Secretariat for the past several years is another manifestation of proliferation in results areas. Client feedback from country studies undertaken as part of this evaluation suggest that some of the complexity is client driven, whereas perceived staff incentive within IFAD may also be a contributory factor.

⁵⁴ Of the 132 country programmes evaluated by the World Bank during 2007-11, only 60 per cent were rated moderately satisfactory or better, with only 10 per cent rated satisfactory or better.

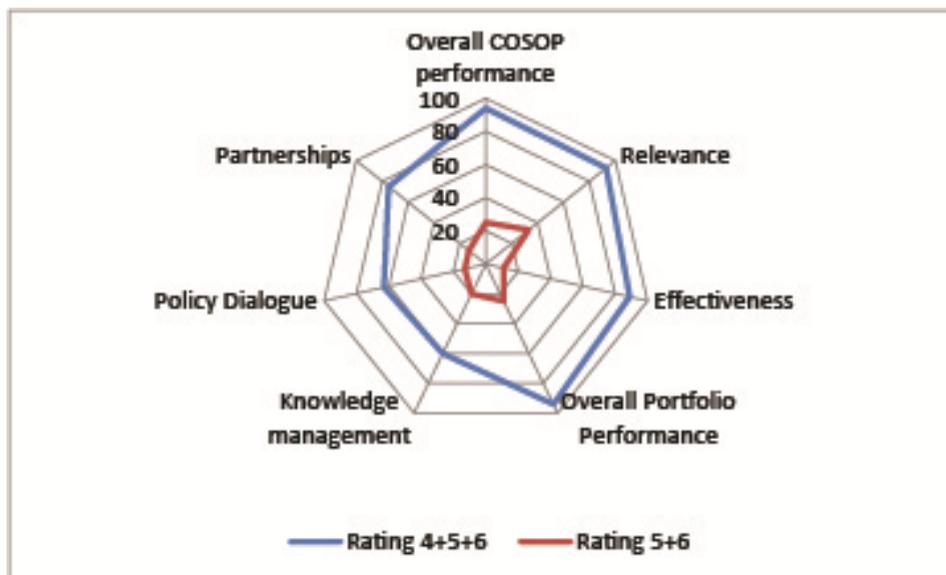
⁵⁵ Average rating of 3.5 and 3.7 for policy dialogue and KM respectively versus a rating of 4.2 for project performance.

⁵⁶ ARRI, 2012

⁵⁷ Ibid

linkages of non-lending activities to the IFAD Results Measurement Frameworks have tended to accentuate the lack of incentives and accountabilities for these activities.⁵⁸ These data reflect evaluation of COSOPs that were prepared before IFAD's current emphasis on a more long-term programmatic approach. It could be expected that greater attention to policy dialogue, KM and partnerships needed for scaling up will lead to better performance in future evaluations.

Figure 2
COSOP performance evaluation results



Note: In the ARRI database, ratings are given on a scale of 1 to 6. 1 stands for highly unsatisfactory, 2 for unsatisfactory, 3 for moderately unsatisfactory, 4 for moderately satisfactory, 5 for satisfactory, and 6 for highly satisfactory.

Source: IOE database

34. **The results-based COSOPs and the related guidelines have the potential to foster programmatic approaches that enhance the prospects for scaled-up impact.** For much of its history, IFAD has been a project-driven institution with little attention to policy dialogue, knowledge sharing and partnerships to leverage the lessons emerging from its projects and grants.⁵⁹ Over the past decade, IFAD has made major efforts, including expanded country presence, to go beyond projects and to assure that its project and non-project interventions are embedded in coherent country strategies. This is encouraging in order to ensure that the diverse range of IFAD activities at the country level collectively contribute to enhanced results on rural poverty reduction. COSOPs are now the primary instruments in IFAD for guiding the focus and content of its support to different member countries.⁶⁰ The updated guidelines for results-based COSOPs call for a shift away from opportunistically identifying individual projects to developing a programme of country assistance that emphasizes country ownership, long-term programme coherence, partnerships and a small number of key objectives. By emphasizing programme elements that contribute to scaled-up impact, the new guidelines hold the potential to expand IFAD's impact beyond its direct project contributions. Realization of that potential will however, depend upon greater clarity in the pathways to scaling up impact in different countries.⁶¹

⁵⁸ Corporate performance reports, for example, have had no indicators to track performance vis-à-vis policy dialogue and KM. IFAD9 RMF is trying to correct this.

⁵⁹ This would explain, in part, the lagging performance in these areas in past country evaluations by IOE.

⁶⁰ Currently, COSOPs are available for 79 countries, including 38 countries that have been prepared following the 2006 guidelines on results-based COSOPs.

⁶¹ Scaling-up the Fight Against Rural Poverty, October 2010, Brookings

35. **IFAD's country programmes however show insufficient customization to the respective country contexts.** Increased use of knowledge services to complement financial services, especially in MICs and poorly performing least developed countries (LDCs), should be helpful. In countries with very small PBAS allocations, IFAD could also explore opportunities for increased programme management efficiency through partnerships with other development organizations or NGOs for channeling IFAD resources to those countries. This would make IFAD a silent partner in some countries, leading to expanded IFAD programmes, including management by IFAD of contributions by partners in other countries.
36. **The COSOP processes need greater customization and further streamlining.** Interviews with Management and staff as well as feedback from survey instruments, and country studies indicate a high level of support for the objectives of COSOPs, but concern about the process. Further tailoring of the scope, coverage and frequency of the COSOP preparation and monitoring to the country contexts would help economize on IFAD's administrative budget. COSOPs are currently required in countries with two operations in the pipeline and a PBAS allocation of US\$20 million and above in a replenishment cycle. Whether a formal COSOP and the associated annual reviews are needed for countries with such a small PBAS allocation remains a question. Management is considering alternative instruments, such as a country programme paper for countries with limited programmes that would serve a purpose similar to a COSOP, but with less administrative burden. The results frameworks of COSOPs have also sometimes been more detailed than can be supported by data from available surveys and RIMS and have suffered from being overly complex and unrealistic.⁶² This links with QA findings that project level logframes contain too many outcome indicators (which should aggregate to COSOP indicators) that are difficult to collect, monitor and analyze, and in some cases are unrealistic or overambitious.⁶³

Project efficiency

37. **Findings from project evaluations indicate that project efficiency is among the lowest-rated criteria of performance for IFAD-supported projects; only sustainability is rated lower** (figure 3). Also, even when in the satisfactory zone, the efficiency ratings are mostly moderately satisfactory. Measured against the bar of satisfactory or better, efficiency and sustainability are at only 23 per cent and 16 per cent, respectively. More importantly, from the scaling-up perspective, only one of the 82 projects evaluated between 2009 and 2012 merited a highly satisfactory rating along these performance criteria. Credible, comparable data from other IFIs is hard to find; fragmentary data available from other IFIs suggests that efficiency has been problematic area in other organizations as well and results are broadly comparable to those for IFAD.⁶⁴ The data indicates no discernible improvements since around 2006 in the efficiency of IFAD-supported projects.⁶⁵

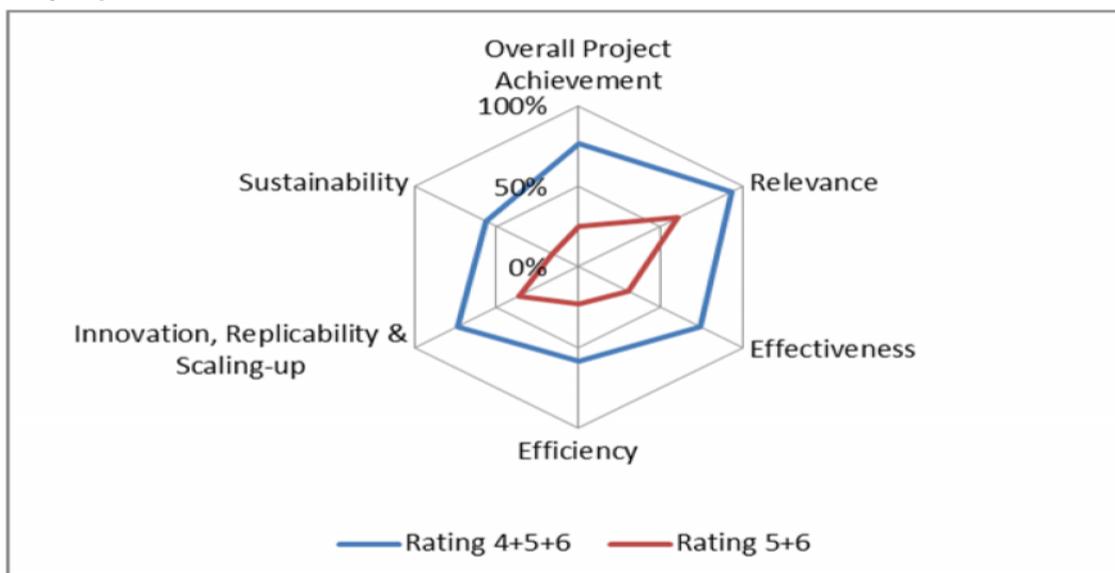
⁶² See survey of IFAD managers.

⁶³ Annual Report on Quality Assurance in IFAD's Projects and Programmes, 2011

⁶⁴ According to the World Bank databases, the reported efficiency was modest or negligible for one third of the 162 agriculture and rural development projects evaluated by the World Bank's Independent Evaluation Group during 2001-05. No efficiency ratings have been reported by the World Bank since 2006. The 2010 joint IFAD/AfDB evaluation reported efficiency for AfDB-funded projects at 50 per cent. It is noteworthy that the overall performance of IFAD-assisted operations is considerably better than AsDB in the Asia and Pacific region for the period 2000-2011, and broadly similar to World Bank operations globally (ARRI, 2012).

⁶⁵ ARRI 2012

Figure 3
Project performance evaluation results



Note: In the ARRI database, ratings are given on a scale of 1 to 6. 1 stands for highly unsatisfactory, 2 for unsatisfactory, 3 for moderately unsatisfactory, 4 for moderately satisfactory, 5 for satisfactory, and 6 for highly satisfactory.

Source: IOE's ARRI database

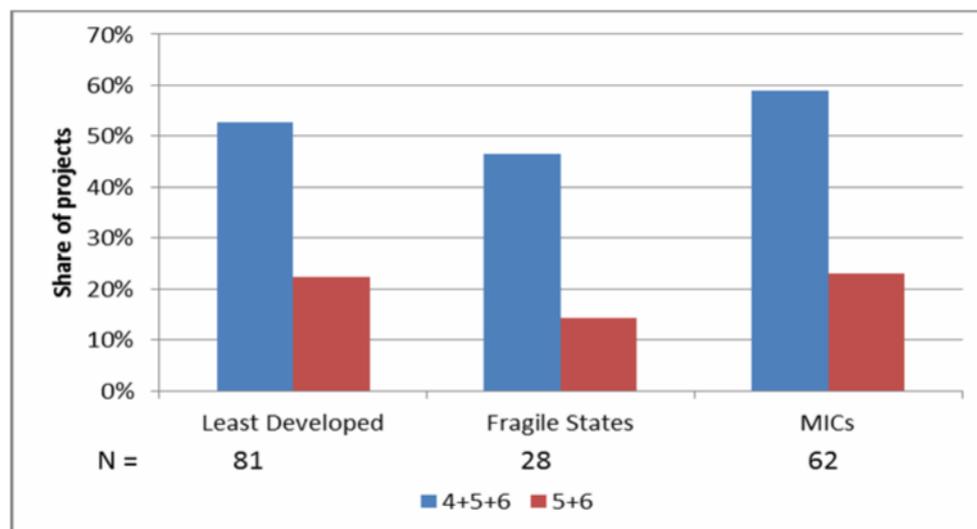
38. **Project efficiency is adversely affected by weaknesses in project design.** As frequently noted both by IOE evaluations and the QA Secretariat, many project designs suffer from complexity linked to multiple objectives and components, large geographical dispersion and unclear institutional arrangements. Continued reliance on project management units (PMUs) or equivalent, and dependence on financial subsidies also mean questionable sustainability for the longer term and poor prospects for scaling up. Client feedback from country studies undertaken as part of this evaluation suggest that not all the complexity is client driven; perceived staff incentive within IFAD may also be responsible for some of the complexity.
39. **While IFAD's policies concerning efficiency analysis are similar to those of other IFIs, their operationalization has been a challenge.** IFAD's ex ante efficiency analyses have tended to be weak, with very little contribution towards improving project designs and/or screening out suboptimal projects. According to an in-house analysis by PTA staff, of the 46 projects presented for quality enhancement (QE) during 2011, 5 projects had no financial/economic analysis at all and analyses in almost three-quarters of the projects needed substantial improvements. The problematic areas included opaque and/or questionable assumptions about costs and benefits streams, inadequate recognition of economic distortions and transfer payments, weak links between analysis and project logframes, inadequate sensitivity analysis linked to potential risks and inadequate attention to operation and maintenance (O&M) costs and post-implementation sustainability. More importantly, economic analysis was used only for ex post justifications rather than for assistance in project design and selection.⁶⁶ Almost three-quarters of the CPMs surveyed agreed on the need for improved methodological guidelines; three-quarters also agreed with the need for improved skills in task teams for economic analysis; two-thirds agreed on the need for greater awareness among CPMs of the importance of efficiency analysis; 56 per cent agreed on the need for greater attention to efficiency analysis during

⁶⁶ IFAD is by no means alone in this respect. There has been a more general decline among development agencies in the use of CBA in both appraisals and evaluations. A 2010 World Bank study found, for example, that the percentage of investment operations containing an estimate of the economic return had declined from nearly 70 per cent in the 1970s to approximately 30 per cent in the early 2000s.

managerial reviews; and half of the CPMs agreed that there was inadequate attention to project efficiency during the design stage. Appointment in January 2011 of a full-time advisor in PTA to improve economic and financial analyses of IFAD-supported projects is a step in the right direction, but will take time before its full impact is visible.

40. **Efficiency appears to be strongly correlated with rural poverty impact and with overall project achievements.** While projects rated satisfactory or better on efficiency had a 97 per cent satisfactory rating in terms of overall achievements, only 11 per cent of the projects with unsatisfactory (rating of 1 or 2) efficiency rating were rated moderately satisfactory or better. Similarly, in terms of rural poverty impact, while high-efficiency (rating of 5 or 6) projects had moderately satisfactory or better impact in 87 per cent of the cases, for low-efficiency projects this fell to a mere 17 per cent. The performance on efficiency was also correlated, although to a lesser degree, with ratings for sustainability and for innovation and scaling-up. These correlations suggest that efficiency as reported by IFAD can, in most cases, be a good proxy for higher-level efficiencies in terms of outcomes and impacts.
41. **Not surprisingly, efficiency is significantly lower in the fragile states than in MICs.** More generally, projects in the least developed countries have lower efficiency and outcomes than in other countries (figure 4). Since least developed countries represent IFAD's primary clientele under its mandate, improving the performance of its portfolio in these countries is critical to building and sustaining IFAD leadership in its niche areas. In particular, given the capacity constraints of the fragile states, the reported results would argue for greater customization of IFAD's products to that client group – a direction already being promoted by IFAD as a principle of engagement under its 2011–15 Strategic Framework.

Figure 4

Efficiency by country group

Source: IOE's ARRI database

42. **Low efficiency appears to correlate with delays in implementation and those between project approval and effectiveness.** While efficiency is rated moderately satisfactory or better for 80 per cent of projects becoming effective within six months of approval, it drops to 47 per cent for projects taking more than 24 months to become effective. Similarly, for projects with completion delayed more than one year beyond the planned completion dates, the efficiency drops from 70 per cent to 55 per cent. Completion of over half of IFAD-supported projects is delayed by more than a year and for one in six, by more than three years. According to the surveyed CPMs, cumbersome decision-making processes within

government and within IFAD are among the main causes of these delays. Political interference in the appointment and retention of key project staff in the host countries adds to the implementation delays.

43. **Although the efficiency of cofinanced and non-cofinanced projects is similar, the former do significantly better in their rural poverty impact, innovation and scaling-up and sustainability (table 3).** This suggests that cofinancing is a desirable direction, even though it may not contribute much towards increasing project efficiency per se. Indeed, institutional efficiency of programme management may even go down due to added implementation complexities associated with the requirements of multiple donors. The evaluative results here argue for care in using results from efficiency analysis – excessive focus on institutional efficiency can in some cases go counter to the imperatives of high impact efficiency.

Table 3
Cofinancing versus project performance

Criteria	No cofinancing (N=53)		Cofinancing (N=116)	
	4+5+6 %	5+6 %	4+5+6 %	5+6 %
Efficiency	56%	21%	60%	23%
Overall project achievement	71%	22%	80%	27%
Project rural poverty impact	65%	25%	80%	32%
Innovation, replicability and scaling-up	65%	31%	78%	38%
Sustainability	44%	10%	62%	19%
Relevance	94%	68%	93%	58%

N = Number of observations

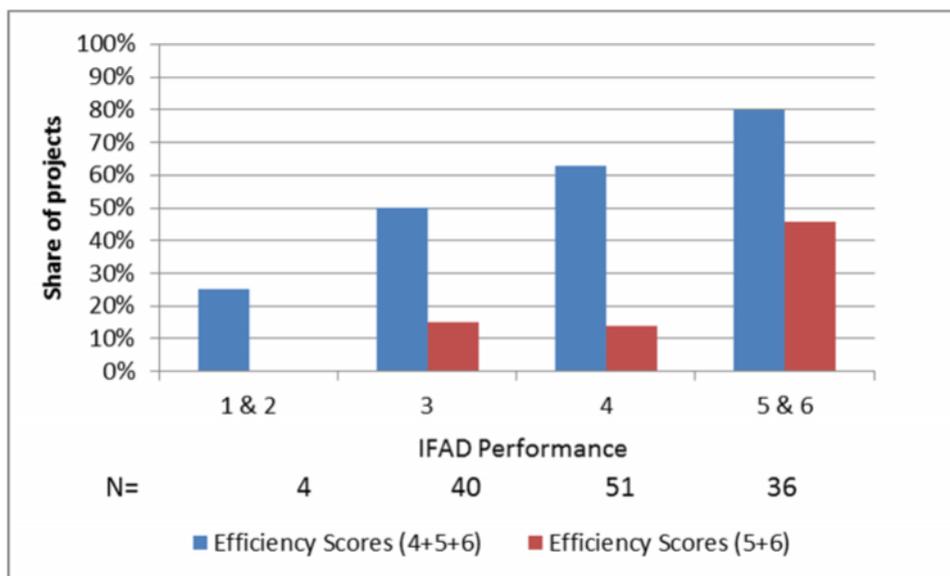
Source: IOE's ARRI database

44. **Project efficiency ratings are closely associated with IFAD's own performance as a partner (figure 5),⁶⁷ confirming that how IFAD does its job makes a difference in project outcomes.** Past evaluation results suggest that improving IFAD's own performance from moderately satisfactory or better to satisfactory or better would yield high payoffs in terms of overall achievement, poverty impact and, importantly, scaling up (figure 6). For example, achieving the stretch target of 100 per cent satisfactory (or better) rating for IFAD's own performance would mean roughly a 15 per cent gain in overall poverty impact and development effectiveness. That would mean moving approximately US\$300 million dollars of IFAD-supported investments from less than satisfactory to the satisfactory or better category (ratings of 5 or 6) annually, underscoring the potentially large gains from efficiency-improving initiatives. Again, the high pay-offs of excellence in IFAD's own performance should caution against excessive fixation on narrow output-based measures of efficiency that may not improve overall development effectiveness. Demonstrated excellence by IFAD in its operational work will also be a prerequisite for getting other partners interested in scaling-up. Accordingly, while moderately satisfactory performance may be appropriate for benchmarking vis-à-vis other IFIs, given IFAD's business model and aspirations, it cannot be the basis for driving IFAD's organizational norms and behaviour.
45. **IOE ratings of IFAD performance as a partner suggest noticeable improvement in recent years but there is scope to do better.** Disaggregation of the IOE evaluation data by the year of closing indicates that for projects closed after 2009, IFAD's performance was moderately satisfactory or better in 85 per cent of the cases compared to 60 per cent for projects closed before end-2009. Performance at the satisfactory or better level has also improved from 24 per cent to 41 per cent. Self-evaluation data from PMD suggests further improvements with IFAD's performance rated satisfactory in 49 per cent of the projects closed during

⁶⁷ As well as the host government performance.

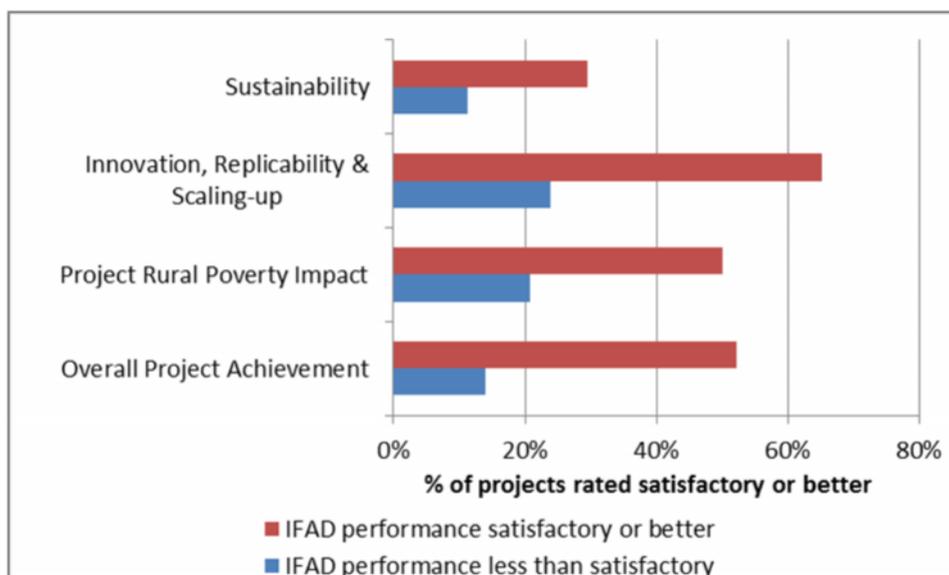
2010-12.⁶⁸ This would suggest that the changes introduced through DSIS and enhanced country presence are, as intended, having a positive impact on the quality of client services provided by IFAD. However, with IFAD performance still less than fully satisfactory in half of the projects, there is scope for doing better. Improved support during project preparation to assure better designs is one important element of this. Equally important is the provision of timely guidance and support to clients to help address issues emerging during project implementation. Commendable progress made in recent years in improving the realism of self-reporting on portfolio status now need to be matched by proactive management of the risky projects to help improve overall portfolio results.⁶⁹

Figure 5
Efficiency scores by IFAD performance



Source: IOE's ARRI database

Figure 6
IFAD performance and outcomes



⁶⁸ ARPP 2011-12

⁶⁹ As per the 2011-12 ARPP, the "proactivity index" dropped from 63 per cent in 2008 to 39 per cent in 2012 compared to a corporate target of 75 per cent.

Grants and KM

46. **IFAD's grants programme can be a source of innovation in smallholder agriculture that benefits IFAD's country programmes, but it needs further reform to achieve that.** IFAD's grants programme is a fundamental instrument for achieving the organization's overall objectives. The strategic objectives of the grant programme are to promote pro-poor approaches to enhance field-level impact, and to build pro-poor capacities of partner institutions. While some grants have been highly successful, as a whole, the grant programme is uneven in its results and impact and is not yet delivering to its potential. The following factors, most of which are also documented in many CPEs conducted by IOE, hold back the impact efficiency of the grants programme:
- (i) IFAD's grants programme plays an insufficiently strategic role in advancing the Fund's mandate. Grants are typically not part of country dialogue nor discussed in COSOPs. Global and regional grant programmes, particularly for agriculture research, are not linked to their possible adoption in the field in IFAD operations; opportunities for scaled-up impact are therefore reduced (Revised IFAD Policy for Grant Financing, 2009). IFAD grants are also insufficiently used to pilot the implementation of potential innovations that, if successful, could be considered for scaling-up in subsequent IFAD-supported operations;
 - (ii) Grants are not currently used to promote client capacity in IFAD projects to help readiness for implementation and to improve project sustainability. Poor client capacity leads governments to put the entire onus of project preparation work on IFAD. IFAD's grant programme does not include support to countries for project preparation and capacity-building to help readiness for project implementation. Client capacity is also key to project sustainability. Some 83 per cent of PTA staff and 74 per cent of CPMs surveyed believe that the use of grants for this purpose would improve overall operational performance;
 - (iii) Grant findings and completion reports are not routinely made available by IFAD in publicly accessible formats, which limits the opportunities of learning from the grant findings and likely also limits value-for-money realized on grants;
 - (iv) The grant approval process, even after its recent revision, is repeatedly cited in interviews with CPMs as being overly cumbersome and a deterrent to their use; and
 - (v) Grant monitoring and supervision has been a limitation that was cited in the revised IFAD policy of 2009 and is still an issue. This is exacerbated by the large number of small grants and the associated higher transaction costs that negatively affect institutional efficiency.
47. **There has been increased attention to KM since the KM strategy was adopted in 2007, but implementation has fallen short of expectations.** Among the more notable accomplishments are learning fairs, meetings of project managers at the country and sometimes regional level to share experiences and portfolio reviews that are held annually in PMD and in regions for discussing implementation results and lessons with all staff. Some regions have engaged experienced professionals to conduct an independent quality review of DSIS products, with findings reviewed in meetings of all operational staff. In recent years PMD has also made efforts to build in-house capacity by providing training opportunities in operational areas such as supervision, procurement and loan administration. Other initiatives are also being taken to improve KM. These include improvements in documentation and providing electronic access to some key documents to staff. For example, 150 project completion reports and their

summaries that were reviewed and rated over the last six years were posted on IFAD's Intranet.

48. **On the other hand, KM in country programmes has not yet been sufficiently focused on scaling-up IFAD's impact on the ground, and staff interviews and surveys are clear that staff believe that more can be done.** More generally, the knowledge products that were to have been key outputs under the strategy (i.e. learning notes and technical advisory notes) have been produced only sporadically since 2008. Thematic groups and communities of practice have progressed little beyond their status at the time of the strategy. More attention was given in the strategy to what was to be produced rather than to how staff work and cooperate with each other. The objectives for Learning Notes set out in the strategy were possibly unrealistic given the demand they would place on the time of IFAD's limited technical staff. Also, the CLE on gender found that IFAD has not done enough to learn from failures in its gender work.
49. **With the new Strategy and Knowledge Management Department (SKM), there is an opportunity to take a fresh approach to KM including the undertaking of development studies.** In IFAD there is insufficient mining of the rich knowledge embedded within the operations it funds. Since the most relevant knowledge for IFAD in furthering its scaling-up mission comes from IFAD's experience in implementing its projects and grants, the linkage between PMD and SKM will be important to both departments. The establishment of the Statistics and Studies for Development Division in SKM is useful to strengthen IFAD's capabilities for generating knowledge through specific development studies. Responsibility for QA and for global grants has recently been transferred to SKM. This should preserve the arm's length relationship of the QA function with respect to projects and country and regional grants under the responsibility of PMD.

Delivery model

50. **IFAD has made major structural changes to its business model to improve the effectiveness of IFAD's programme management.** Direct supervision and implementation support (DSIS) and the strengthening and expansion of country offices have brought fundamental changes to the way IFAD conducts its business. Whereas the IFAD Policy on Supervision and Implementation Support (2007) estimated that the majority of loans would be supervised by IFAD by the end of the tenth year, the transition was achieved by about mid-2010. Country presence and DSIS are closely interrelated in that country offices are directly involved in all aspects of DSIS. Country presence and DSIS have been credited in a number of Management and IOE reports with having improved the quality of IFAD's implementation support, policy dialogue, partnerships and KM.⁷⁰ These conclusions seem plausible based on interviews with IFAD staff, managers and consultants, and a review of the documents. While the implementation of IFAD's direct supervision was expedited, capacity constraints within IFAD, especially staff training and the development of appropriate policies related to DSIS and country presence and contractual obligations with cooperating institutions resulted in some delay and lag in benefits. Given this lag, the full impact of the new operating model on portfolio performance will only be evident in the coming years. Available data on the staff costs of DSIS are insufficient to compare costs before and after the change, and thus to make a determination of the efficiency of these changes. However, as noted below, the cost of country presence is likely to be an issue in the future unless countervailing savings are identified at headquarters.⁷¹

⁷⁰ See IFAD Country Presence Policy and Strategy, 2011, the IOE Comments on the Country Presence Policy and Strategy and IOE's Synthesis report on IFAD's direct supervision and implementation support, October 2011.

⁷¹ IOE is currently undertaking a CLE on IFAD's Policy on Direct Supervision and Implementation Support where more data will be made available.

51. **PMD has identified and is now regularly reporting on a number of performance indicators where improvement can lead to lower administrative costs and therefore improved programme management efficiency, if quality and volume are maintained.** These include the average time for processing withdrawal applications (which improved from 35 days to 29), the time-overrun of completed projects (which fell from 39 per cent to 19 per cent) and the average time from project approval to first disbursement (which improved from 21 months to 19).
52. **While efficiency indicators that measure IFAD's administrative cost per dollar of IFAD's POW have shown improvement, the same is not true in terms of quantities of deliverables.** Table 4 shows the number of key IFAD deliverables from 2007 to 2011. The total number of deliverables increased during the period, and as noted earlier, the value of deliverables increased significantly. However, the total number of deliverables increased at a slower rate than the budget of PMD. Comparing the two-year average unit cost of the total deliverables from 2007 and 2008 with the average unit cost of 2010 and 2011, there was an increase in unit costs of about 20 per cent during the period.⁷² However, if one takes into account the resource transfer associated with the projects, and compares the average value of PMD's budget divided by the dollar value of IFAD's POW for the years 2007 and 2008 with the average value in the years 2010 and 2011, there is a decrease in cost per dollar transferred of about 30 per cent. These results stem in part from a conscious Management decision to increase average project size without increasing the number of operations, which is consistent with a desire on the part of Management to increase impact efficiency. Impact may be related to the dollar amount transferred, while the cost of delivery is more closely associated with numbers of outputs. The two measures of efficiency point in different directions: In terms of output efficiency, the numbers indicate that unit costs have increased while output efficiency has decreased, as measured by the cost of producing the deliverables during this period.
53. **There are a number of factors that could explain the increase in unit costs.** These include: the number of country offices doubled during the period; IFAD took over direct responsibility for supervision; the Environment and Climate Division was created; some staff transferred from the former policy division that was outside of PMD and a number of new staff were hired as a result of the gender policy and the KM strategy. All of these could lead to eventual longer-term beneficial impact, which could improve impact efficiency, even though the efficiency of delivering the number of outputs declined. Unfortunately, data on the cost of individual outputs (e.g. the average per-project cost of loan processing up to approval, the annual cost of DSIS per project) that includes the cost of staff time is not available at IFAD. This makes monitoring such unit costs and setting regional targets for efficiency improvements impractical at this time. The CLE recommends the monitoring of unit direct costs of outputs as an indicator underlying the broader indicators of output efficiency.
54. **IFAD has moved proactively to fill the gap in policies, guidelines and procedures that was noted in the IEE 2005, yet implementation and inadequate funding of the policies are still issues.** The IEE noted that IFAD had few operational policies and few policies governing internal processes. This has changed dramatically. Between 2006 and 2011, some 57 new or revised policy papers were submitted to the Board. Among the policy and strategy documents are KM, grant policy, land, innovation, environment and natural resources, rural finance, private sector, gender, and risk management. Interviews with staff and

⁷² Ideally one would compare the cost of producing individual types of products from year to year. However, IFAD accounting systems do not allow this. The fact that the percentages of different products have not changes significantly from year to year give credence to the analysis.

managers, as well as comparisons of selected documents with subsequent experiences, indicate that implementation and inadequate funding are issues in many cases. This has also been highlighted by IOE in their written comments on key corporate policies approved by the Board.

Table 4

Evolution of work programme, budget and output costs 2007-2011^a

	2007	2008	2009	2010	2011
Number of loan and DSF grant approvals	34	29	32	33	34
Number of grant approvals	77	70	99	88	83
Projects under implementation in portfolio	196	204	219	233	240
Number of approved COSOPs	15	9	9	6	8
Total weighted ^a deliverables (number)	95	90	100	103	105
Programme of work (US\$ millions)	1 215	1 144	1 363	2 427	2 191
PMD administrative budget (US\$ millions) ^b	51	58	61	72	79
PMD admin budget/total weighted deliverables (US\$ thousands)	540	645	608	699	750
Output (number) efficiency (2007 = 100)	100	84	89	77	72
PMD admin. budget/Programme of work	4.2%	5.1%	4.5%	3.0%	3.6%
Output (US\$ volume) efficiency (2007 = 100)	100	83	94	141	116

^a Weighted by estimated average cost of each deliverable.

^b Budget data has been used since reliable expenditure data is not consistently available. Actual expenditures, especially for staff, are often lower. In 2010, PMD's administrative budget for staff increased from 179 to 196 FTEs. Some staff transferred from the former policy division to PMD and some new staff were hired as a result of the gender policy and the KM strategy.

Source: PMD

55. **Despite more formal policies, guidelines and procedures, decision-making processes also appear to be in need of improvement.** There is a concern among significant numbers of staff that the pendulum may have swung too far in formal policies, guidelines and procedures, leading to a "process compliance" culture with cumbersome decision-making that requires multiple approvals and sign-offs. Such processes are costly in the use of staff and managerial time, and affect operational efficiency. In the CLE survey, nearly 100 per cent of both CPMs and technical staff at least partially agree that time-consuming administrative work makes institutional efficiency suffer significantly, with 86 per cent of CPMs and 89 per cent of technical staff agreeing or strongly agreeing. Institutional efficiency is also hurt by cumbersome internal decision-making processes according to 97 per cent of CPMs, 100 per cent of technical staff and 75 per cent of managers. Slow implementation of decisions was also cited as a problem by 95 per cent of technical staff, 77 per cent of CPMs, and 92 per cent of managers (see also results of surveys of CPMs, Technical Staff and Managers, annex IX).
56. **IFAD has a limited number of staff with technical skills to apply to IFAD's core programme of project design, DSIS, partnership, policy dialogue and KM.** If IFAD aspires to improve project quality and to enhance the possibility for scaled-up impact, it needs to ask whether it has the critical mass of staff with globally recognized thematic and technical expertise to accomplish its goals. Regional divisions generally do not have specialized technical staff with expertise in agriculture or agronomy.⁷³ PTA is the institutional source of technical staff skills. PTA currently has about 20 professional staff on board. Only eight PTA staff

⁷³ In addition to CPMs and regional economists, IFAD's regional divisions have skills that sometimes may include a KM specialist, an environment/climate specialist, a gender specialist, or portfolio adviser.

members have technical or economics degrees in agronomy, agriculture, or rural development. PTA has an additional complement of 14 consultants, but none of these are agronomists or rural development specialists. In any case, long-term consultants do not go through the same vetting process as staff, and are not an equal substitute. In countries where CPOs are hired with technical skills, this does add staff with expertise available to support country work, but their experience is generally limited to one country.

57. **The CPM model is under stress due to changes in CPM responsibilities and insufficient support.** CPMs are at the heart of IFAD's delivery model. In the past, CPMs were primarily process managers who relied on other institutions to design and supervise IFAD-financed operations. Now they are required to develop IFAD's country strategy, engage in policy dialogue, promote scaling-up, formulate concepts for projects and grants, manage technical experts in project design and implementation, address government process and institutional issues, translate lessons learned into new project concepts, manage country relationships and handle additional mandates such as climate change, gender, private sector development and scaling-up. They do this work with considerable support from consultants. However, they receive little support in the field from other IFAD professional staff, including IFAD technical staff. In 2011, of the total number of staff and consultants working on project formulation missions, only six per cent were IFAD Country Office (ICO) staff and five per cent were other IFAD staff.⁷⁴
58. **The lack of substantive field support to CPMs by other IFAD professional staff hinders both efficiency and effectiveness.** Project management has been consistently cited by ARRIIs from 2003 to 2010 as a factor negatively affecting efficiency. The 2011 ARRI also noted that IFAD could do more to support government capacity-building, and that institutional and risk analysis is weak across countries and regions. Policy dialogue and efforts at scaling-up have been cited in a number of CLEs as needing strengthening. These are all matters where IFAD staff has a comparative advantage over consultants. The lack of professional staff support to CPMs inevitably means that some of these key matters get less attention than they should, which can affect both effectiveness and efficiency.
59. **IFAD's project delivery model relies heavily on consultants, including consultant-led concept, design and implementation support missions.** Some CPMs lead these missions and others participate only at the end of a consultant-led mission. PMD has begun an effort to have CPMs lead important missions. This process is being backed up by an in-house training programme. In 2011, some two-thirds of DSIS missions were led by CPMs,⁷⁵ however, only 46 per cent of project concept and design missions were led by CPMs.⁷⁶ IFAD uses consultants at a far higher rate per staff member than other IFIs. The staff-to-consultant ratio for IFAD as a whole has been 2.8, versus 5.8 for other IFIs.⁷⁷ For PMD, in 2011 the ratio of IFAD staff to consultants in project preparation from concept to approval, based on number of days of input, was around 1:3,⁷⁸ interacting with clients in the field, where staff could be most useful, IFAD's use of staff relative to consultants is very low.
60. **While there are good reasons for IFAD to continue to use consultants at a relatively high rate, for some tasks consultants are not a good substitute for staff.** Consultants are less expensive than staff and they can bring fresh ideas

⁷⁴ The Efficiency of the Project Design Process, Office of Audit and Oversight, draft (not reviewed by auditees), IFAD. May 2012.

⁷⁵ Discussions with PMD Management.

⁷⁶ The Efficiency of the Project Design Process, Office of Audit and Oversight, draft (not reviewed by auditees), IFAD. May 2012.

⁷⁷ IFI strategic planning and budgeting website database, 2009.

⁷⁸ CLE calculation based on data in The Efficiency of the Project Design Process, Office of Audit and Oversight, draft (not reviewed by auditees). IFAD. May 2012.

and missing technical skills. Also, it is not economical to recruit a full-time staff to cater to a speciality service required for limited duration. This CLE does not take the position that IFAD staff should replace a majority of consultants, or that IFAD staff will necessarily be better technical experts than consultants. Rather the CLE position is that IFAD staff is better suited than consultants for certain important types of work that are critical to success. For example, consultants cannot substitute effectively for IFAD staff in policy dialogue with governments, addressing institutional issues, building partnerships for scaling up, translating experiences from DSIS to new project design, negotiations with government on project elements or even measures to accelerate implementation.

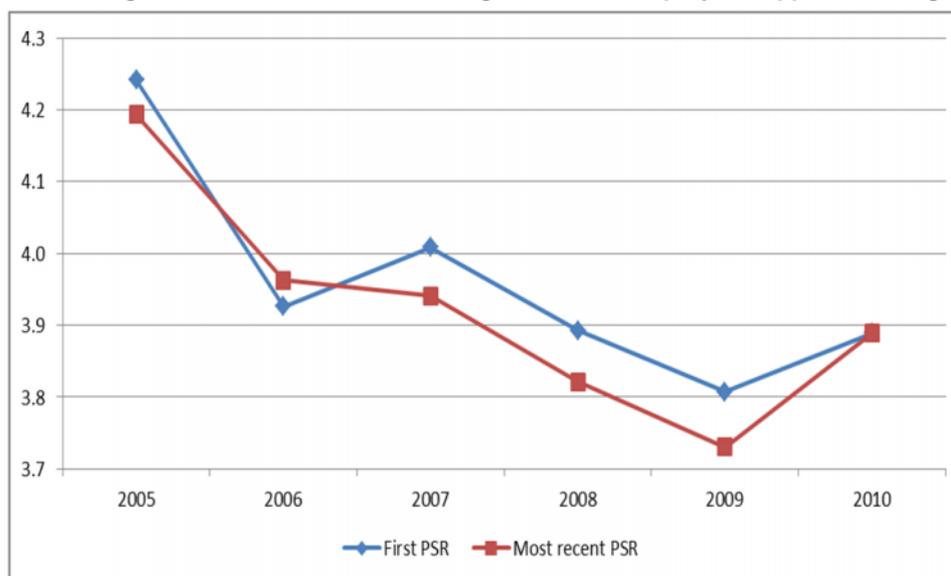
61. **Overreliance on consultants can also limit institutional learning since knowledge gained on consulting assignments is retained by the consultant and may be lost to the institution.** Consultant teams typically work with individual CPMs and rarely have opportunities to share experience with consultant teams working with other CPMs. Combined with the CPM-centric organizational structure, this leads to organizational and knowledge silos. The existence of organizational silos was a factor cited in the IEE report as militating against a needed learning culture in IFAD. Given the vital importance of IFAD missions to its client work, outsourcing mission leadership to a consultant who is not vetted institutionally and who has no long-term institutional responsibility is risky in light of the prominence of institutional and project management issues in project success.
62. **A relatively small substitution of staff for consultants would permit substantial IFAD technical staff support to operational missions.** By way of example, if an objective were adopted to have an IFAD technical expert participate significantly in every new project (say eight weeks including two missions per project), plus 25 per cent of supervision missions (three weeks each including two weeks in field) plus all COSOPs (four weeks each) this would require about 485 staff weeks under the IFAD 2011 work programme. This is less than five per cent of PMD's consultant usage in that year. Part of the cost of additional technical staff could be offset by a small reduction on consultant usage. If 15 technical staff were added during each of the next two replenishment periods, this would allow significant IFAD technical input to all IFAD operations.
63. **PTA can play a critical role in providing cross-country, cross-regional knowledge and an institutional perspective on IFAD's work programme.** However, unless the mandate, role and staffing of PTA is changed, there is no natural "home" for a critical mass of technical skills to staff teams and engage in fieldwork in support of the regional programmes.
64. **IFAD costs for project processing and for supervision are within the range of costs of other IFIs, but other IFIs benefit from recipient country project preparation often funded by third parties.** IFAD project processing costs from initial concept to approval are on the order of US\$400,000 per project, including staff time, compared with about US\$290,000 for the Asian Development Bank (AsDB) and about US\$500,000 for the World Bank (US\$400,000 for agriculture and rural development investment projects). Both the AsDB and World Bank-financed projects have been able to benefit from funding such as that provided by trust funds from various governments and the Japanese government's Policy and Human Resources Development (PHRD) fund.⁷⁹ The trust fund resources are generally managed by the IFI while the PHRD is a grant to governments made at the request of the IFI. In FY 2011 and 2012, on average, each World Bank agriculture and rural

⁷⁹ Trust funds are provided by various member countries and are managed as a supplement to the World Bank internal budget. The PHRD project preparation facility was provided to governments to allow them to finance technical assistance to support their own responsibilities for project processing, capacity-building and project implementation. The project preparation technical assistance under the PHRD programme has recently been discontinued and has been restructured to support priority initiatives in specific sectors.

development project benefited from over US\$50,000 in trust fund support for project preparation. Up until 2009, when it was restructured to focus on specific sectoral priorities, the PHRD programme provided project preparation grants administered by the World Bank, with an average grant size of around US\$600,000 for agriculture and rural development projects that received a grant. IFAD projects, on the other hand, rely exclusively on IFAD's own administrative budget to fund project preparation. While formally recorded IFAD project delivery expenditures are similar to the World Bank, it is fair to say that in many other respects, IFAD is handicapped: its counterparts have weaker capacity, its projects are located in remoter areas, its non-lending activities are limited, its projects are more innovative, and it has no trust funds to complement its administrative budget. For IFAD-supported projects, funding for baseline surveys, detailed technical designs, and client capacity-building assistance are typically funded by loan proceeds and these funds are only available after project approval. This negatively affects readiness for implementation. IFAD project preparation therefore may be underfunded, as it relies exclusively on its own administrative budget. Direct supervision costs at IFAD are on the order of US\$100,000, while that of the AsDB is about US\$86,000 and the World Bank is about US\$120,000. Efforts to improve quality may result in higher costs for project processing and supervision. Given the prospects for zero budget growth in the coming years, the increase in cost would need to be offset by efficiency gains in other areas.

65. **IFAD projects suffer from issues of readiness at time of approval, which affects implementation performance.** Lack of readiness at approval is indicated by several factors. IFAD projects exhibited a significant lag between approval and first disbursement of approximately 19 months in 2011. (However, this represents a recent improvement over the 2008 baseline of 21 months). The 2011 Annual Report on Quality Assurance noted that some 60 per cent of projects reviewed annually require considerable design modifications. It recommends that more be done earlier in the design process to improve quality. After approval, the initial Project Status Report (PSR) ratings for recent cohorts of projects are low, and have been declining since 2005. However, there is an upward trend from 2009 to 2010 (figure 7). All of these factors suggest that poor quality at entry is a long-standing issue. The figure also suggests that supervision is having minimal impact in improving PSR ratings during the early years after a project is approved and is under implementation. This is despite the fact that many CPMs and regional directors noted that IFAD projects are often not blueprint projects, but are designed to be flexible so they can be adjusted during implementation to account for experience. The concept of flexible projects is an appealing and potentially useful one that gives further importance to IFAD inputs during the implementation stage. But there is little technical or institutional review of adjustments made to project concepts or designs during implementation. The limited amount of technical input and management attention during implementation seems inconsistent with the concept that IFAD-funded projects are intended to embody flexible designs.

Figure 7
First PSR rating vs. the most recent PSR rating for cohorts of projects approved in a given year



Source: IFAD PSR online database

66. **The practice of a heavy QE desk review process followed by a QA review prior to approval does not address the need for more staff attention to quality at the early stages of design and more technical and managerial input during implementation.** IFAD has two substantial quality reviews: QE, followed less than three months later by QA. QE originally was expected to provide peer support, but has become a formal desk review with five to seven reviewers and considerable but often pro-forma documentation. While the establishment of QE was understandable as a response to the IEE, the process evolved to become costly and inefficient. Data from a sample of projects in 2011 by AUO indicates that more IFAD staff days were spent on review (OSC review, QE review, QA review and follow-up – 60 per cent) than on actual concept formulation and design (40 per cent).⁸⁰ This does not seem to be an efficient use of scarce staff time. The focus on review has diverted staff and management attention away from the need to get quality right from the beginning and improving technical support during implementation. Recent changes⁸¹ to the QE process that have been adopted now make space for PTA staff to go on selected missions and provide advice and support through CPMT. However, this welcome shift still mostly increases desk support to the CPM. Desk support is not a substitute for IFAD technical staff participation in and support to all key field missions. Provision of IFAD technical support to field missions on a consistent basis will require a substitution of staff for consultant resources as noted above. The recent changes in the QE review may also have consequences for the QA review, e.g. the QE changes may imply a need to adjust the timing or scope of QA.
67. **The workload among CPMs varies considerably but there are no mechanisms for cross-country or cross-regional support to better balance workloads.** A simple indicative analysis of country programmes and portfolios illustrated in figure 8 indicates that, over a three-year period, the average workload of CPMs⁸² can vary significantly – by as much as a factor of 10. The variation within regions can also be of a similar magnitude. A mechanism under which one CPM provides support to another would result in more even staff utilization and better output efficiency. However, CPMs receiving support would want to be sure that any

⁸⁰ "The Efficiency of the Project Design Process, Office of Audit and Oversight," Draft (not yet reviewed by auditees), IFAD. May 2012.

⁸¹ Transmittal document to OMC/EMC on "The Revised QE Process", June 6, 2012.

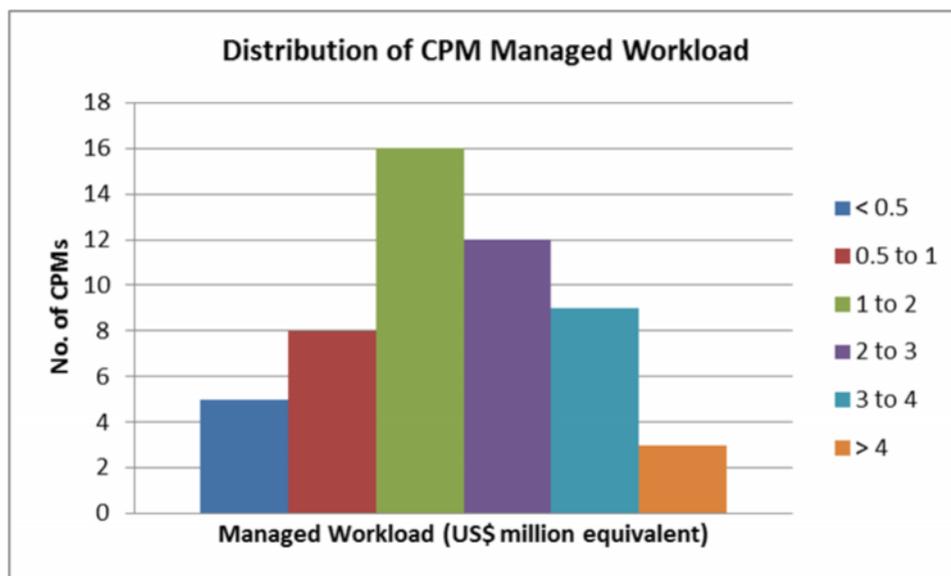
⁸² Supported by associated CPOs where appropriate.

assistance they get would be substantive. This would require an agreement that a CPM providing support would deliver a specific output in an agreed timeframe to another country programme. However, such a mechanism seems to run counter to the culture of CPM autonomy, and no region appears to utilize such a mechanism. The lack of a time-recording system for staff time makes it more difficult to monitor and manage the efficiency of staff utilization. The extent to which the workload imbalances might be attributable to underperformance, and to what extent they are attributable to other organizational, cultural, and systems factors, is not clear.

68. **Improvements in balancing the workload among CPMTs could also reduce the number of CPMs needed.** During the three-year period reviewed, the NEN region had the smallest disparity between the CPMTs with the largest and those with the smallest three-year work programmes. If other regions increased the workload of their lowest workload teams to that of the lowest in the NEN region, IFAD could maintain its current form with some 10 fewer CPMs. PMD is currently moving to have CPMs lead significant missions and to increase policy dialogue associated with scaling up. Since this will increase CPM workload, PMD is proposing to hire additional CPMs to accommodate the function of mission leadership. However, better workload rebalancing could offset the need for new hiring.
69. **The regional director's role in managing CPMs is important because of the centrality of the CPM function, but regional director accountability is insufficiently defined.** Discussions with CPMs and with regional directors indicate that the extent of substantive regional director oversight of operations in their regions has been variable. Regional directors ensure that resources are balanced with the regional work-programme and that the programme is delivered in a timely manner. However, the functional accountability of regional directors for managing country presence staff, the quality of regional products, and the work and workload of CPMs is, in practice, insufficiently clear. It has been clouded further by the broad mandate of the OMC, which in the past has dealt with issues that could have been dealt with at the regional director level. An attempt to address the OMC agenda is now being made through efforts to ensure that any decisions that can be taken at the line manager level are taken at that level and not routinely brought up to the OMC.
70. **Regional directors' oversight and support is even more critical with expanded out-posting of CPMs.** With more and more work being delegated to the field, the responsibilities of regional directors vis-à-vis the CPM and country office staff (managed by CPMs) is changing. These changes will be magnified when a significant percentage of CPMs are outposted. Outposting of CPMs will reduce face-to-face contacts between regional directors and CPMs. While technology can offset some of the negative consequences of reduced face-to-face contact, it is unlikely to be a perfect substitute. This suggests that the role of headquarters managers in supporting outposted CPMs will be more of a challenge in the future.
71. **It is important to maintain an IFAD institutional perspective on quality even after outposting of CPMs.** It will be important to get the regional director role and other roles right if an institutional perspective on quality is to be maintained. Outposting of CPMs will reduce direct contact of CPMs with CPMs from other regions. Mechanisms to ensure that cross-country and cross-regional knowledge sharing takes place, e.g. perhaps by headquarters technical staff participating on field missions, will grow in importance. The vision of how a decentralized IFAD will operate and of how regional directors will exercise their responsibility in such a decentralized environment needs still to be articulated more broadly.

72. **The span of managerial oversight of Professional staff⁸³ in PMD regional divisions has increased in line with the increase in staffing and now averages about 22 in the PMD regional divisions (excluding consultants) at headquarters, and about 30 when considering the country office staff.** This is about three times as wide as units outside PMD and considerably more than in comparator organizations (with the exception of the World Bank). A large proportion of CPMs are senior staff (at the P-4/P-5 level). If CPMs are considered supervisors, the regionals directors' span drops to an average of almost 11. The appropriateness of current levels of span of control will be affected by the outposting of CPMs.

Figure 8
Analysis of CPM managed workload^{*}



* Estimate of effort, measured in dollar terms, expended on COSOPs, project design, and DSIS over a three-year period, 2009-2011. This analysis does not include CPM efforts in policy dialogue or scaling up, for which quantitative estimates were not available. It also does not factor in the contribution of CPOs.

Source: Regional Division Annual Report on Portfolio Performance

73. **While much has been achieved since country presence was initiated, the increase in cost of IFAD country offices appears to be an issue that needs to be studied.** Currently, around 40 IFAD country offices are operational in different regions. IFAD's approach to setting up country offices has been different from other international organizations: in most cases IFAD has preferred to explore co-hosting arrangements, especially with other United Nations organizations (in particular FAO and in some cases the World Food Programme) and tried to contain costs by limiting asset accumulation. Independent evaluations repeatedly highlight the wide-ranging benefits of IFAD's country presence, especially for greater development effectiveness on the ground. In recent years IFAD has also taken a more systematic approach to the establishment of country offices – including issuing comprehensive guidelines for IFAD country offices and incentives to the outposting of CPMs. An interdepartmental coordination group was formed in 2012 to ensure the more orderly setting up of country offices, and to ensure that their requirements are met in a timely manner.
74. Nevertheless, IFAD's survey of other comparator organizations points out that all had higher decentralization costs than originally planned. There is a danger that similar cost increases could pose problems in the future for IFAD. In fact, the cost of running a country office is not among the criteria for determining priorities

⁸³ Included in this Professional staff definition are national staff in field offices, who are employed at the Professional equivalent grades.

among the countries where offices are not yet established. The recently introduced incentives for Professional staff assigned to country offices illustrate the pressures leading to higher costs.⁸⁴ The cost of country offices in 2010 was estimated at US\$6.5 million.⁸⁵ In 2011 the budget for country offices was US\$11.5 million and in 2012 the budget is US\$12.3 million.⁸⁶ As mentioned above, IFAD is trying to keep the size of country offices relatively small and efforts are currently being made to limit the number of country staff. However, the assumption used in the Country Presence Strategy that staff in country offices (except outposted CPMs and other international staff) represents a savings needs to be assessed carefully on a case-by-case basis, as it appears that the number of country offices and costs are rising without offsetting reductions in Rome. Such higher costs reduce efficiency unless proportionately higher benefits are achieved. Further efforts in taking into account, on a case-by-case basis, the costs as well as the benefits of expanding country presence and deploying CPMs could result in efficiency gains.

75. **Innovation and scaling-up are critical to IFAD's mission and need greater attention.** The 2010 CLE on innovation reinforced IFAD's longstanding recognition of the vital importance of innovation and scaling up, and noted that "scaling-up is mission critical for IFAD." In particular, the evaluation concluded that as a multilateral development institution with relatively limited resources, IFAD should further intensify and focus its efforts in promoting innovations (especially in the area of agriculture technology), which can then be scaled up by other partners such as governments, MDBs, large foundations and the private sector for wider impact on rural poverty. Successfully piloting innovations and demonstrating scalability and sustainability through IFAD-funded activities should therefore be at the core of IFAD's scaling-up agenda. It should be noted that IFAD's achievement in mobilizing resources from international (non-domestic) sources is affected, at least in part, by the low level of donor financing for agricultural and rural development in the past. Despite this trend, IFAD was very close to achieving the cofinancing target agreed with its members in the Eighth Replenishment.
76. **The 2011-2015 Strategic Framework rightly recognizes scaling up as a key guiding principle of engagement for IFAD.** Excepting a few notable successes (e.g. in the Uganda Vegetable Oil Development Project), IFAD's overall performance in leveraging partner resources – which should be at the core of the agenda – for scaling-up appears rather mixed. Project-level evaluative data from IOE reports 90 per cent moderately satisfactory or better ratings (45 per cent at the satisfactory or better level) on innovation and scaling-up, making this one of the better-performing dimensions of project performance for IFAD.⁸⁷ By contrast, a recent review of scaling-up commissioned by IFAD Management concluded that scaling-up has not been a systematic focus of IFAD's country and thematic programmes. The review also noted that most operational policy, guidance and evaluation documents treat scaling up as an afterthought and that the scaling up agenda needed stronger staff and managerial incentives. Innovation and scaling up were also noted as an "underperforming" area during the quality-at-entry reviews by the QA Secretariat.
77. **In recent years, IFAD has made significant progress in mobilizing cofinancing from domestic resources but that has not been matched by similar success with external partners.** Over the past ten years, IFAD financing of US\$5.2 billion was accompanied by financing of US\$2.7 billion from non-domestic sources and US\$3.6 billion from domestic sources, providing an overall

⁸⁴ IFAD Information Circular IC/HRD/03/2012, 18 May 2012.

⁸⁵ IFAD Country Presence Policy and Strategy, April, 2011.

⁸⁶ IFAD's 2012 results-based programme of work, December, 2011.

⁸⁷ IOE notes, however, the "disproportionate attention paid to innovation as compared to scaling-up" resulting in overestimation of performance vis-à-vis scaling-up in these ratings.

leverage of 2.2.⁸⁸ More recently, data from 2009-11 approvals indicates overall cofinancing increasing roughly in step with IFAD financing – significantly increased contributions from domestic resources (from US\$289 million in 2007/08 to US\$889 million in 2011/12) offsetting declining share from international partners (from US\$418 million in 2007/08 to US\$348 million in 2011/12). Overall leverage remained around 2.2⁸⁹ – below the 2.5 target agreed under the Eighth Replenishment. IFAD’s overall leverage is very similar to the World Bank and other regional IFIs even though, given their much larger resource base, scaling-up is not an integral part of their organizational priorities. Further strides are necessary, especially with external partners, if IFAD is to make the intended impact on rural poverty reduction at the global level.

78. **Survey results indicate strong support for the need to do better on leveraging and scaling up.** Eighty-three per cent of the CPMs and 89 per cent of the technical staff agree that IFAD’s effectiveness could be increased significantly by greater attention to scaling-up. There has been inadequate attention in the past to: specifying a strategy for scaling-up in COSOPs; building stronger relationships with partners to help identify innovative approaches to be incorporated in IFAD-supported projects and grants; prototype testing of potentially high-reward innovations and other demonstrated successes that may be amenable to scaling-up; and effective documentation and dissemination of the innovations and knowledge generated to catalyze replication of its success by others. It should however be recognized that in the past two to three years there have been major efforts to define pathways to scaling up with the assistance of the Brookings Institution.⁹⁰
79. **The innovation and scaling-up approach would require significant rethinking about the nature of the projects supported by IFAD and the way IFAD would judge its performance.** In a successful country programme, the majority of projects will be those that replicate, expand, modify, refine and adapt scalable innovations over time with increasing levels of government and third-party financing. After demonstrated success, governments and others may sometimes pick up programme concepts and replicate them with IFAD’s encouragement. However, at the beginning of the cycle, where prototype testing as mentioned above is called for, there may also be a need for smaller, simpler projects based on lighter preparation upfront, but with greater support during implementation. They will involve higher risks but also potentially high rewards and will require a cultural shift from risk avoidance to risk management. Parallel changes will also be needed in QA processes as well as in the project evaluation criteria.⁹¹

Country context and processes: Implications for IFAD efficiency

80. Five country case studies covering Honduras, India, Mali, Uganda and the United Republic of Tanzania were conducted as part of the CLE. The purpose of the case studies was to develop insights and examples at the country level, particularly in relation to the implications of client context and government processes on IFAD efficiency. Client views on IFAD performance were also sought. The findings from the case studies are detailed in annex VI; the main findings are listed below.

⁸⁸ Leverage is defined as total programme of work divided by programme of loans and grants; Numbers taken from ARPP reports.

⁸⁹ ARPP 2011/12, annex 4, para 25.

⁹⁰ See *Scaling up the fight against rural poverty. A review of IFAD’s approach*. Global Economy and Development at Brookings, October 2010.

⁹¹ Project preparation and QA will focus on clarifying the innovation to be tested and assuring appropriateness of the risk/reward ratio, the institutional arrangements for implementation and a functioning M&E system. Evaluation criteria will need to allow for the fact that a good fraction of the prototype-testing projects would not succeed in generating scalable models of innovations; that should be acceptable provided IFAD did its job well in identifying, appraising and supervising such projects and the portfolio as a whole generates enough “highly satisfactory” projects for follow-up support by IFAD and its partners.

81. **IFAD is clearly respected for its focus on promoting smallholder agriculture in the poorest regions of client countries.** Countries are highly supportive of IFAD's mandate to reach the poor. Clients also recognize that the difficult nature of the regions and rural groups that IFAD serves means significantly higher costs to IFAD for programme delivery as well as lower programme and programme management efficiency, compared to the situation of working in less difficult areas. To some extent this is an issue unique to IFAD. Even where IFAD does not have specific mechanisms to promote lessons learned and scaling-up in difficult areas, there was a feeling in the countries that IFAD's successes were being picked up by governments and spread to other areas.
82. **In most cases, clients provided clear guidance on COSOP objectives and priorities.** COSOP preparation also often benefited from the country's own poverty reduction strategies. COSOPs are felt to be useful instruments for defining IFAD's programmes, and usually conform to national priorities. IFAD had good access to senior decision-makers in client countries when preparing COSOPs, but often there was limited engagement by other key stakeholders in programme formulation. Where discussions with stakeholders in the country were limited to a narrow set of interlocutors, this led to limited ownership of policies and to subsequent difficulties with implementation over time.
83. **Client capacity to prepare projects was generally weak.** Furthermore, clients tend to put the entire onus of project preparation on IFAD – which has obvious implications for IFAD's institutional efficiency. While the preparation of projects by other IFIs is similarly affected, other IFIs benefit from the availability of project preparation funds made available to their client countries by third parties. There is no grant programme readily available from IFAD to support government in its project preparation responsibilities.
84. **Projects are seen as generally well-targeted, incorporating lessons of past projects as well as attention to scaling-up. However, project designs and readiness need to be improved.** Project complexity is a factor affecting project performance and efficiency, especially given that client capacities are often misjudged. Many projects were not sufficiently ready for implementation at approval. This led to implementation delays and cost overruns, which affected output efficiency. Use of PMUs/PIUs appeared to be the norm and functioned well for managing project implementation. However, heavy costs associated with many PMUs as well as their post-implementation sustainability were issues bearing on programme efficiency and effectiveness over the longer-term.
85. **Client attention to the grants programme (especially of the regional/global grants) was low.** Implementation of grants was often unmonitored by government. The grants programme is poorly integrated into the COSOPs and is not usually discussed as part of country programme strategy. The focus is primarily on loan-funded investments.
86. **Expanded country presence and DSIS are considered as positive steps towards strengthening IFAD support for implementation.** Weaknesses in client capacity for fiduciary aspects, as well as complex accounting and procurement procedures, added to IFAD administrative costs and contributed to delays to project implementation. Timely release of counterpart funds was also a problem in some cases. IFAD's consultants are considered good, but they do not have the same understanding of client institutions and policies as the CPM. The CPM is therefore central to IFAD's performance. Where the CPM establishes an effective dialogue with clients, IFAD-supported programmes tends to do well. When this is not the case, the programme can falter. In large offices, like India, the CPO plays a key role in being able to maintain continuous contact with PMUs and client officials.

87. **The country case studies support the view that client country conditions and processes adversely affect IFAD-assisted programmes and institutional efficiency.** While government performance in some countries may be satisfactory, government processes are cumbersome (e.g. for the release of counterpart funds or approval of new loans from IFAD) and human resources and institutional capacities (e.g. for project preparation and M&E) are weak on the whole, especially at the lower administrative levels.⁹² The studies suggest however that, except in a few areas (most notably, choice of project areas and project preparation), the overall impact is not significantly different from that for the programmes of the other IFIs.

Key points

- IFAD is well recognized and valued as an institution dedicated to the eradication of rural poverty and improving food security in developing countries.
- IFAD implemented most of the recommendations arising from the IEE and has largely delivered on the commitments under the Eighth Replenishment. It significantly expanded its POLG as well as its POW since 2009.
- Scaling-up of impact through leveraging of partner resources is essential if IFAD is to make a meaningful contribution towards its overarching goals of alleviating rural poverty and combating hunger.
- Despite significant improvements over the past few years, the overall efficiency of IFAD's operational programmes is only moderately satisfactory – demonstrated success is needed to catalyse significant increases in scaling up by partners.
- Inadequate thematic focus and customization of country programmes to country contexts are constraining IFAD's efficiency and effectiveness.
- IFAD has historically focused mostly on individual projects. However, the new results-based COSOP guidelines offer prospects of country strategies that incorporate a programmatic approach to projects, country partnerships, knowledge-sharing and policy dialogue essential for scaled-up impact.
- Project efficiency and sustainability are low, at 23 per cent and 17 per cent, respectively, when measured against the bar of satisfactory or better. Highly satisfactory performance is rare.
- Complexity in design, inadequate financial and economic analyses and continued reliance on Project Management Units (PMUs) without strategies for mainstreaming them are undermining project efficiency and sustainability.
- The grants and KM programmes are potentially critical to IFAD's mandate. However, these programmes are not yet delivering value at the potential anticipated in their respective strategies.
- DSIS has been implemented faster than planned; preliminary indications of DSIS and country presence indicate positive impact on policy dialogue, partnerships and implementation support but not yet leading to improved portfolio ratings. Cost of country presence is becoming an issue.
- IFAD has filled the gap in policies, guidelines and procedures, but implementation remains an issue.
- IFAD's in-house skills, teams and team leadership are short of requirements needed for high quality programmes, and lead to heavy reliance on consultants. Technical staff should normally make an input through field missions at the early stages of all IFAD operations. Workload among CPMs varies considerably, contributing to lower output efficiency.

⁹² At the state, provincial and district levels.

- Proposed QE reform is moving in the right direction; there is a need to review the associated QA function as well.
- Accountability of regional directors for the substantive work of the regions and management of CPMs is not well-defined; out-posting of CPMs makes this more important.

III. Oversight and support

88. This section sets out the principal findings of the CLE on the efficiency of IFAD's oversight and support units (O&S units), comprising the Office of the President and Vice-President (OPV), Corporate Services Support Group (CSSG), Office of Partnership and Resource Mobilization (PRM), Financial Operations Department (FOD) and Corporate Services Department (CSD), and including CSD's ICT function.⁹³ For this purpose, efficiency is defined as the relationship between the budgetary resources deployed for O&S units' activities and the work programme outputs and outcomes of these units relative to IFAD's needs.
89. The O&S units provide three categories of services to all departments of IFAD: policy formulation and related guidance, institutional direction and oversight, and monitoring of compliance; client support; and transaction services. There are five major cost drivers of these services: output volume, output quality, process intensity, use of IT and costs of staff-time.

A. Principal findings (excluding ICT)⁹⁴

90. **Management has undertaken a number of initiatives in recent years to reduce costs, contain unit budgets, and improve the effectiveness of O&S units.** However, it is too early to assess these measures from an efficiency perspective. Under IFAD's Eighth Replenishment (2010-2012), Management's main instrument for improving efficiency was the CRA. More recently, Management has also made a number of key commitments to improve cost and process efficiency over the Ninth Replenishment period. Measures implemented for O&S units in connection with the CRA include the following:
- (i) Real budget growth for support activities (Clusters 3 and 4) has continued to be constrained to zero or near zero.
 - (ii) In 2011, two new departments, FOD and CSD and the PRM Office were created, with distinct mandates to strengthen decision-making and oversight. This is intended to contribute to institutional efficiency, together with efforts to streamline selected business processes in key areas of responsibility in each department (e.g. consultants' management, travel, procurement, etc.).
 - (iii) A new investment policy, introduced in 2011, is expected to strengthen management and oversight of portfolio performance and risks.
 - (iv) External reviews of Controller's and Financial Services Division (CFS), TRE, HRD and ICT and the Office of the Secretary (SEC's) Member Relations and Protocol Services Unit were carried out in 2010 and 2011.
 - (v) CFS is implementing a new financial management (FM) model, which comprises the introduction of a new loans and grants system (LGS); updated policies and procedures, including risk-based controls and disbursements; greater use of automated processes; and development of adequate financial skills among CFS staff.⁹⁵

⁹³ The outcomes of OPV, LEG and SEC work programmes are discussed in section V, Governance, leadership and decision-making.

⁹⁴ The principal findings regarding the efficiency of the ICT function are set out in paras. 99-104.

⁹⁵ The principal features of the new business model also include consolidation in CFS of FM responsibilities relating to IFAD's operational activities (including disbursements, accounting, project audit, financial reporting and FM assessments of country

91. **In addition, management of some O&S units is focusing on major cost drivers.** The following are examples of attention to cost drivers:
- (i) IFAD is seeking to lower the costs of support to members' governance activities through measures aimed at reducing the volume of SEC's work. SEC has also implemented Web-based dissemination of documents to the Executive Board. Management's recent proposals to the Executive Board for reducing the costs of operation of governing bodies show a continued emphasis on increasing efficiency in this area.
 - (ii) The new LGS being implemented by CFS has the potential to improve risk management and quality of loans and grants management activities.
 - (iii) Administrative Services Division (ADM) is reviewing opportunities for process streamlining (such as in headquarters procurement) and other measures, such as increased outsourcing and collaboration with other Rome-based agencies.⁹⁶
 - (iv) HRD has streamlined recruitment processes and achieved efficiency improvements in recent months.⁹⁷
 - (v) COM undertook an analysis in 2012 on stakeholder perceptions of IFAD that would provide benchmarks and input for developing a corporate communications strategy. One of the stated objectives of the project is more effective and efficient use of limited resources.
92. **Organizational changes between 2000 and 2012 aimed at enhancing effectiveness have led to a near doubling of IFAD's organizational units in the O&S functions** (see table 5). The large number of organizational units and managers heading them leads to an imbalance in managerial capacity and has an impact on output efficiency due to the managerial and overhead costs associated with each unit. Thus IFAD's organizational structure likely contributes to a disadvantage in efficiency relative to comparator institutions. The relatively high level of overhead costs at the unit level corresponds to a relatively small span of managerial oversight in IFAD's O&S units, as discussed below.

financial and audit systems and related capacity building); close coordination with CPMs and other PMD staff on FM work; and outposting of FM staff in country offices.

⁹⁶ Management's key commitments under the Ninth Replenishment include "Assess value-added of business processes, and the potential for adopting more cost-effective alternative delivery modalities, including through joint servicing initiatives with other Rome-based agencies."

⁹⁷ For example, the 2012 Q2 Corporate Performance Report (page 3) showed that the RMF indicator, "Average time to fill professional vacancies (12-month rolling)," which measures process efficiency in HRD and PMD, as being 126 days, compared with the RMF baseline of 141 days and RMF target for 2012 of 100 days. In the same report (page 11), under CMR 5 (Better human resource management), it was reported that HRD's average time to create long lists for recruitment had fallen to 14 days, compared with 18 days in 2011 Q2.

Table 5
Evolution of IFAD's organizational structure, 2000-2012^a

Year	IFAD Total units	PMD units	Oversight & support units
2000	19	7	12
2005	25	8	17
2008	25	8	17
2012	31	8	23
Increase over 2000-2012 – Percentage	63%	14%	92%

Notes:

^a The term "organizational unit" as used here includes department front offices, offices other than departments, and divisions and units, but not hosted entities. For completeness of data, "Total Units" and "Oversight and Support Units" include IOE.

Source: IFAD Annual Reports, 2000, 2005, 2008 and Organization Chart, April 2012

93. **Due to IFAD's small relative size, its organizational units are roughly half the size (in budget and staff), or smaller, compared with units in comparator institutions⁹⁸** (see table 6). The smaller size of IFAD's organizational units creates a much smaller span of managerial oversight – with the exception of OPV – than in comparator institutions. OPV oversight, with 12 direct reports to the President, though possibly excessive according to good practice and management theory, is broadly in line with the practice at comparators; for example, IADB has 12 direct reports to its president, and the African Development Bank (AfDB), 18. The span of managerial oversight in the other O&S units averages under 11 Professional staff, roughly half that at comparator organizations.

Table 6
Budget and staff per organizational unit – IFAD and comparator institutions^a

	IFAD Total ^b	AfDB	AsDB	IADB	FAO	UNDP
Admin. budget (US\$ million)	150	407	439	552	1 105	1 264
No. of staff (FTEs)	591	1 789	2 833	N.A.	3 069	3 217
No. of org. units	31	58	61	38	83	33
Admin. budget per org. unit (US\$ million)	4.8	7	7.2	14.5	13.3	38.3
No. of staff per org. unit	19	31	46	N.A.	37	97

AfDB: African Development Bank; AsDB: Asian Development Bank; IADB: Inter-American Development Bank; FAO: Food and Agriculture Organization of the United Nations; UNDP: United Nations Development Programme

^a Data for IFAD is for 2012, and for other organizations, 2010. Data for the World Bank is not reported as it does not disclose the number of organizational units below the departmental level.

^b For completeness of data, IOE is included.

Source: Board budget papers of above institutions.

94. **The increase in the number of O&S units has resulted in a managerial span of control half as wide for the O&S units as compared to PMD** (see table 7). According to an evaluation by the World Bank Independent Evaluation Group, a managerial span of control for all staff of 7–15 is a benchmark comparator of external organizations, with substantially wider spans of control at the World Bank.⁹⁹ Against that benchmark, PMD shows slightly larger spans of control than

⁹⁸ The comparator institutions were selected as being representative of major IFIs and United Nation agencies, as IFAD is both.

⁹⁹ IEG – World Bank: *The Matrix System at Work. An Evaluation of the World Bank's Organizational Effectiveness*, April 2012, page XXIV.

the benchmark, in particular when the 66.4 locally recruited staff (2012) are included, bringing the PMD span of control to 32.

95. **IFAD's O&S units have a higher overall share of the administrative budget than in most comparator institutions.** The higher spending is partly due to IFAD's small size, but is also due to the relatively high costs of some divisions such as SEC, Communications and Administration, as well as minimum institutional and operating requirements for some O&S services and the organization's Rome location. The overall share of O&S units in IFAD's budget is closer to the comparator United Nations agencies (with the exception of FAO) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) than to the MDBs.¹⁰⁰ Table 8 summarizes our comparison of IFAD with four MDBs, four United Nations agencies and the Global Fund (see annex viii for supporting data tables). It should be noted that comparisons of costs across different organizations, such as in table 9, are affected by a range of factors, including differences in their size, business model, business processes and organizational structure. For example, some of the variations between IFAD and larger comparator institutions such as the MDBs and FAO are attributable – although the impact is difficult to quantify – to economies of scale factors that place small organizations such as IFAD at a disadvantage with regard to the costs of O&S functions. These functions need to have a minimum size and service standards (though not necessarily performed by a separate organizational unit) to be effective. The strategic issues of budget allocations for O&S units are discussed below.

Table 7

Comparison of IFAD's span of control in O&S units vs. PMD units

	<i>O&S Total</i>	<i>CSSD</i>	<i>PRM</i>	<i>SKM</i>	<i>FOD</i>	<i>CSD</i>	<i>PMD</i>
D-1, D-2, – Dep. head	18	4	4	3	3	4	8
P Staff (FTEs)	136	42	9	15	35	36	125
All staff, excl. D-1 – Staff (FTEs)	263	80	14	22	57	90	190
Span of control							
Staff/D-1+ratio	15	20	4	7	19	22	24
Professional/D-1+Ratio	8	10	2	5	12	9	16

Note: Excluding 66 locally recruited staff (2012) and short-term staff; the table also excludes OPV.

Source: IFAD's 2013 results-based programme of work and regular and capital budget EB 2012/107/R.2/Rev.1, annex VIII, p. 41.

¹⁰⁰ Out of the O&S units' 40.4 per cent share of IFAD's budget, as shown in the table, 5.9 per cent is allocated to Cluster 1. Together with PMD's budget share of 56.8 per cent, the 5.9 per cent share of O&S budgets makes up the Cluster 1 total budget share of 62.7 per cent. SKM (not shown in the table) accounts for 2.8 per cent of IFAD's budget.

Table 8
Comparison of O&S units' shares of total budget (%) – IFAD and comparator institutions

	IFAD	AfDB	AsDB	IADB	WB	FAO	UNDP	UNICEF	WFP	GF
OPV	2.40	1.30	1.60	0.90	0.50	0.80	1.20	2.00	1.70	1.60
CSSG	12.80	6.70	7.10	6.70	4.10	8.40	6.10	9.00	13.60	13.40
Total OPV & CSSG	15.20	8.00	8.70	7.60	4.60	9.20	7.30	11.00	15.30	15.00
PRM	2.10	1.50	1.00	2.10	0.80	1.10	^a	^a	5.0 ^a	^a
FOD	6.0 ^b	8.40	9.10	7.70	6.30	3.00			7.60	3.40
CSD	17.10	11.30	9.20	11.60	10.80	14.10			20.40	20.10
Total FOD & CSD	23.10	19.70	18.30	19.30	17.10	17.10	29.10	26.60	28.00	23.50
Total O&S	40.40	29.20	28.00	29.00	22.50	27.40	36.40	37.60	48.30	38.50

AfDB: African Development Bank; AsDB: Asian Development Bank; IADB: Inter-American Development Bank; World Bank; FAO: Food and Agriculture Organization of the United Nations; UNDP: United Nations Development Programme; UNICEF: United Nations Children's Fund; WFP: World Food Programme; GF: The Global Fund to Fight AIDS, Tuberculosis and Malaria.

^a In these institutions, the functions of external relations, partnerships and resource mobilization are combined. The budget share of these combined functions is included in the percentage shown against CSSG, for comparability with COM. For WFP, the budget share of its government donor relations division is shown.

^b FOD budget excludes the budget for PMD's FM staff and consultants who were transferred to CFS, effective 1 January 2012. Information provided by FOD's Budget Unit indicated that the transfer of these staff and consultants led to a budget transfer of US\$1.5 million from PMD to CFS.

Source: Board budget papers of above institutions

96. Strategic issues of the appropriate level of spending on priority areas and trade-offs between efficiencies at the output (costs) and outcome (effectiveness) levels emerge from the above comparison of units' budget shares between IFAD and comparator institutions:

- (i) OPV and CSSG's shares (2.4 and 12.8 per cent, respectively) in IFAD's administrative budget are higher than those in most comparator institutions, due to the relatively high spending for the Office of the Secretary (SEC) and the Communications Division (COM). The current high spending on SEC and COM activities raises the strategic issue of outcome efficiency with respect to stakeholder relations and communications for an institution of IFAD's relatively small size. A significant proportion of SEC costs are accounted for by language services. According to data provided by SEC, language services costs in 2011 totaled US\$3.8 million (47 per cent of SEC's 2011 budget of US\$8.1 million). We noted that SEC largely uses its own staff for language services rather than outsourcing some of this work, but it has started a pilot programme for increased use of external translation services. However, it is not clear that the high costs of mandatory translation are adding value by strengthening the oversight function of the EB. The activities of SEC and COM are significant for IFAD's governance and its stakeholder relations and communications. In this context, the cost of support to the governing bodies is receiving the attention of the Executive Board and Management.¹⁰¹ Management has recently submitted proposals to the EB for efficiency

¹⁰¹ The paper "Report of the Consultation on the Ninth Replenishment of IFAD's Resources" (GC 35/L.4, dated January 25, 2012) included the following among key commitments: "Liaise with the Executive Board to explore opportunities to reduce costs associated with the operations of IFAD's governing bodies." An earlier paper (Managing for efficiency in IFAD: Progress under IFAD8 and proposals for IFAD9 (REPL.IX/3/R.2, September 29, 2011) also stated that the EB "has expressed interest in reducing these costs to focus more of IFAD's resources on its development operations."

improvements in Cluster 4 by reducing Cluster 4 costs by 25 per cent and staffing by 27.8 per cent, during 2013-2015.¹⁰² Accordingly, Management's 2013 budget proposal by cluster in the POW paper includes a reduction in the Cluster 4 budget from 2012, which is stated as being due to efficiencies identified in SEC and OPV.¹⁰³ With regard to COM, the corporate communications strategy, when finalized, ought to provide the basis for assessing the output efficiency of spending on the Division's activities in light of the expected and actual outcomes.¹⁰⁴ The July 2012 EMC retreat included discussion of the following proposed action: "Produce a prioritized and sustainable communications strategy and work plan with: clear objectives linked to policy and KM agenda; principal means; measures of success; and activity plan."¹⁰⁵

- (ii) A reconfigured Partnership and Resource Mobilization (PRM) Office has been established which aims to help IFAD to foster a more systematic approach to partnership and resource mobilization. PRM, which is headed by a Director who is also Senior Adviser to the President, is expected to pursue partnerships and resource mobilization, not only with Member States but also with the private sector and philanthropic foundations. PRM also aims to help IFAD leverage impact through non-lending activities such as policy engagement, knowledge sharing, capacity strengthening and partnership development. PRM's budget share (2 per cent) is higher than in most comparator institutions. As this unit is new, the strategic issue for Management's consideration will be the need for a separate unit and its costs relative to the outcomes produced. As noted above, UNDP, UNICEF and the Global Fund have a single unit with the combined functions of External Relations, Partnerships and Resource Mobilization. Discussion at the July 2012 EMC retreat included proposed actions to prioritize resource mobilization in partnership development and ensure coordination with operational strategy.
- (iii) FOD's share (6 per cent)¹⁰⁶ of IFAD's administrative budget is somewhat lower than in most comparator institutions. As FOD performs a range of critical fiduciary functions for the institution, this raises an issue of trade-offs between efficiencies at the output and outcome levels. Within the aggregate FOD budget, the budgets of the Treasury Services Division (TRE) and the corporate budget function¹⁰⁷ appear to be particularly low compared with similar units in comparator institutions, with the caveat that unlike in the MDBs, TRE does not perform borrowings activities. While the budget share of CFS, including the budget for the FM staff transferred in 2012 from PMD, is within the range of shares in other comparable institutions (see annex viii, table 2), its staff complement of 50 FTEs (29 P and 21 GS staff)¹⁰⁸ makes it one of the largest divisions in IFAD. Of the total FTEs in CFS, the Loans and Grants Unit has a staff of 31 FTEs (20 P and 11 GS staff). This underlines the importance of ensuring realization of output efficiency gains from the implementation of the LGS and the ongoing rationalization of responsibilities for processing withdrawal applications with PMD and country offices. However, as noted in paragraph 100, IFAD currently does not manage well the generation of process improvements and cost savings from its ICT

¹⁰² Support to IFAD's Governance: Measures and Implementation Plan for Achieving Greater Efficiency, EB 2012/107/R.4, 20 November 2012.

¹⁰³ 2013 Programme of Work and Budget, EB 2012/107/R.2, 20 November 2012.

¹⁰⁴ Finalization of the strategy is pending the completion of the baseline research project on stakeholder perceptions of IFAD and ongoing consultations between COM, PMD and SKM.

¹⁰⁵ PowerPoint presentation by Strategic Planning Division, SKM: Preparation of the MTP 2013-15.

¹⁰⁶ This figure represents FOD's share in the 2012 budget and therefore does not reflect the transfer of the Budget Unit to OPV in December 2012.

¹⁰⁷ The Budget Unit was transferred to OPV in December 2012.

¹⁰⁸ Source of number of staff FTEs: CFS 2012 Strategic Plan.

investments. At the July 2012 EMC retreat, the following proposed action was discussed: "Produce plan for reduction of resources required for loans and grants administration, leveraging ICT and process revision with stratified risk management approach."

- (iv) CSD's budget share (17 per cent) is much higher than in most comparator institutions. This is primarily due to ADM's share of 6.4 per cent (rising to 7.9 per cent if the security function is included, as in other organizations). Although the Human Resources Division's (HRD) and ICT's budget shares are also higher than those of comparators, the variation may be partly attributed to economies of scale and lack of outsourcing. However, IFAD's ICT spend per employee is much lower than in the comparator institutions surveyed by Gartner.

97. **Output efficiency is adversely impacted by processes with tight ex ante controls, high staff costs and insufficient managerial accountability for efficiency improvement.**

- (i) **Processes:** There is considerable scope for streamlining some major ADM processes. For example, the available process map for travel shows a total of 43 steps beginning from the traveler initiating the process until the reimbursement of travel expenses exceeding the travel advance.¹⁰⁹ The proposed new procurement process map depicts a process with up to 20 steps to initiate a purchase order for procurements valued at between €10,000 and €50,000. The process for joint tender with other Rome-based United Nation agencies comprises 26 steps to issue a purchase order. Discussion at the July 2012 EMC retreat included the importance of streamlining cumbersome processes and the actions that could be taken to achieve this objective.¹¹⁰
- (ii) **High average costs of staff:** CSSG, FOD and CSD together have 45 per cent of their P-level staff in grades P-5 and P-4, and 60 per cent of GS staff in grades G-6 and G-5; however, the ratios have improved somewhat from 2011, when they were projected to be 47 per cent and 65 per cent, respectively.¹¹¹ The factors causing IFAD's high average staff costs are discussed in the section on Managing Results, Budget and People.
- (iii) **Managers' accountability:** The Medium-term Plan (MTP) for 2011-2013¹¹² did not include a full set of output and outcome efficiency indicators for all O&S units (annex viii). Still, a number of the indicators set out in the MTP are appropriate for inclusion and monitoring through the quarterly corporate performance reviews. However, the quarterly reviews mostly focus on output efficiency indicators that are institutional in nature and largely related to staff. Outcome indicators and unit-focused indicators of output efficiency are lacking in the quarterly reports. More broadly, while the quarterly reports contain much detailed information, they are not designed to provide the basis for management to assess departmental and divisional performance or take corrective measures as needed. The divisional management plans do not fill this gap as they do not include adequately specific performance indicators for line manager accountability. Thus IFAD does not have a performance management framework whereby the MTP indicators are cascaded down and monitored through departmental and divisional performance agreements. Consequently, there is no evidence that O&S line managers are held

¹⁰⁹ The July 2012 EMC retreat discussed proposed actions to streamline travel related processes, focusing on reducing user time for inputs and delays, and increasing flexibility within agreed risk parameters.

¹¹⁰ The suggestions tabled for discussion at the retreat included: approach based on risk assessment and materiality/incidence to process review and streamlining; review of IFAD's internal control framework with the aim of shifting from universal ex ante controls to selective ex post controls; shift to electronic document flow; and introduction of electronic signatures.

¹¹¹ Sources of data: annex VII of 2012 POW paper and annex VIII of 2011 POW paper.

¹¹² IFAD Medium-term Plan 2011-2013 (paragraph 99), EB2011/102/R.32, 9 May 2011.

accountable for continuously improving outcome or output efficiency against specific targets. In this regard, a positive step is the requirement for each organizational unit to prepare a divisional efficiency plan in 2013 focusing on business process improvements, as stated in the December 2012 update paper on CRA implementation.¹¹³ The 2013-2015 MTP is under preparation, which hopefully will address some of the above concerns.

98. **Efficiency gains from management's initiatives could be compromised without a strategic approach.** The efficiency improvement actions taken so far are commendable and have yielded some efficiency gains, as noted in the 2011 POW paper and the December 2011¹¹⁴ and December 2012 update papers on CRA implementation. But the actions taken are not guided by an overall corporate strategy that sets work programme priorities for support units, links work programmes to expected and achieved results, emphasizes process simplification and automation and reduction of staff costs and sets efficiency improvement targets – as part of performance management – at the departmental level.¹¹⁵ Moreover, for O&S units, efficiency drivers at the outcome level are complex and relate primarily to the effectiveness of the units in prioritizing their work programmes and delivering the appropriate quality of services to meet IFAD's needs. Without an overall strategy, a trajectory of flat or declining real budgets for support units can expose IFAD to the risks posed by the past underinvestment in critical areas such as ICT and erosion in quality and service standards. These risks are accentuated by the prospect of zero budget growth over the medium-term. Annex viii provides details of the factors, such as process changes, setting of service standards, monitoring of actual performance and trade-offs between efficiencies at output and outcome levels that are important for sustaining efficiency gains achieved so far or expected over the next two to three years.

B. Principal findings – ICT

99. **The ICT function in IFAD has important strengths.** Management's commitment to improve ICT services is evidenced by the following:
- (i) A vision for ICT services covering the period from 2011 to 2015 has been developed to enhance its core capabilities to support IFAD with better access to infrastructure, online communication and collaboration tools that will allow inexpensive interaction between users at all locations, enhance current business applications and provide enterprise information through data warehouses and business intelligence tools;
 - (ii) Many staff in the ICT Division (ICTD) have long tenure and a comprehensive understanding of IFAD's operations;
 - (iii) The implementation of Oracle's PeopleSoft Financials and Human Resources modules (currently known as Oracle's PeopleSoft applications) illustrates a willingness to modify existing business processes and adopt best practices;
 - (iv) Efforts to standardize platforms and applications currently in use include SharePoint for collaboration; Liferay for content management; and Oracle's products for ERP, DBMS and Business Intelligence;
 - (v) Several infrastructure components, such as network services, e-mail and PeopleSoft hosting, have been outsourced to UNICC in Geneva;
 - (vi) In 2011, a substantial capital budget of US\$12 million was approved for the LGS upgrade project to be implemented by April 2013;

¹¹³ Update on Change and Reform Implementation, EB 2012/107/R.41, 10 December 2012.

¹¹⁴ Update on Change and Reform Implementation, EB/2011/104/R.52, 9 December 2011.

¹¹⁵ As noted in section IV, subsection on Managing Results and Budget, budget allocations are decided before the divisional management plans are prepared each year. Thus, there is no iterative process to align budgets and work programmes.

- (vii) The CLE survey showed that 63 per cent of GS staff is satisfied with ICT services.
- (viii) A key objective for CSD discussed at the July 2012 EMC retreat was to ensure the adequacy and sustainability of ICT services to core corporate functions. In this regard, the proposed action was stated as follows: "Develop and agree corporate IT strategy and action plan with transparent costing (with OMC and EMC)."
100. **Current ICT services are inadequate for leveraging IFAD's staff resources for several reasons.** First, over the years ICTD has developed and implemented several information systems (such as the Project and Portfolio Management System [PPMS], LGS and PeopleSoft) that use different technologies and data systems. Integration between these systems, and even within various PeopleSoft modules (HR, budget, finance, vendor and travel) is lacking; the same data thus has to be entered multiple times. Second, mission-critical systems such as PPMS and LGS are still supported by outdated technologies such as PowerBuilder and Sybase, for which few support options are currently available. Third, IFAD has not taken adequate advantage of best practices embedded in commercial off-the-shelf products such as Oracle's PeopleSoft suite to simplify its business processes. Fourth, due to the lack of a help desk and user training, ICTD senior technical staff responsible for planning and managing systems are also handling a large number of routine service requests that should be handled by junior ICT staff or – with proper training – by users themselves. Fifth, enterprise data reporting needs are currently met by production of reports from data extracts and point-to-point interfaces across systems to bridge multiple data formats; manual data collection is required when information is not available through these means. Sixth, with data stored in many places (corporate business systems, file servers, SharePoint, personal computers, etc.), the ICT support for KM is suboptimal.
101. **IFAD's past spending on ICT services was very low relative to comparators, and approved capital projects are not supported by budgets for O&M.** According to a study of nine development banks by Gartner in 2011, the average annual IT budget per employee (staff and consultants) was €18,000 and IT staff made up on average 5 per cent of all employees. In contrast, IFAD's IT budget is €5,600 per employee, and ICTD make up 3 per cent of total IFAD employees. This significant under-spending is compounded by the lack of budgets for O&M costs to support approved capital investments for projects such as the LGS upgrade and PeopleSoft. Typically, IT capital projects require around 18 to 25 per cent of the budget to provide for O&M costs. These two factors have a major impact on the capacity of ICTD staff to provide services, thus adversely impacting efficiency. The 2013 POW paper includes a proposal to increase the ICT budget over 2012.
102. **Inefficiencies in ICT services reflect inadequate performance management for ICT investments and insufficient outsourcing.** IFAD does not quantitatively define, measure and report on how well its ICT investments are achieving targeted productivity gains, in either process improvement or cost savings. There are also no service-level agreements between ICTD and user departments that would set service standards and help to create accountability for productivity gains. IFAD has currently outsourced infrastructure areas to UNICC, as mentioned earlier. But IFAD has significant further outsourcing opportunities in the areas of software development, testing, maintenance, help desk and training. Currently, 87 per cent of IFAD's IT workforce is internal staff, compared with 20 to 40 per cent internal staff in one-third of the development banks covered in the 2011 Gartner study, and 60 to 80 per cent in the other banks.
103. **ICT governance is inadequate.** ICT governance is currently divided between the IT Governance Committee and OMC, resulting in inefficiencies in coordination and decision-making. In addition, large-scale ICT investments related to business

systems are not managed by functional owners and lack a dedicated governance mechanism to manage scope and configuration changes.

104. **ICTD lacks the necessary skill sets and enterprise architecture to support business transformation in IFAD.** The CLE analysis of the current skill sets of ICTD staff indicated that they are organized to support ICT operations rather than to promote better services to and alignment with the business. This is inefficient because the key roles of planning and supporting business process automation, enterprise architecture, investment management, enterprise analytics, information assurance and technology advancement are missing. The lack of an enterprise architecture connecting business processes with information strategy, systems and infrastructure through common policies and standards is responsible for the current complex ICT environment and delays in making the necessary modifications to support the changes in business needs.

Key points

- Management has taken several actions in recent years to improve efficiency, including constraining the budgets of O&S units, but without articulating an overall strategy for addressing the underlying cost drivers, the trade-offs between cost efficiency and outcomes, and potential for outsourcing.
- IFAD is spending more of its administrative budget on its O&S units than do most of its comparator institutions. The higher spending is partly due to the scale effects of IFAD's small size and the relatively high costs of SEC, COM and ADM, as well as its Rome location. The institutional and operating requirements of some O&S services and the large number of O&S units are also contributing factors.
- Output efficiency is adversely impacted by a number of factors: cumbersome corporate business processes with rather tight ex ante controls, such as procurement and travel, and insufficient managerial accountability for efficiency improvement.
- Without proper attention to the underlying cost drivers and recognition of budget adequacy for mission-critical activities such as ICT, the current approach of constraining O&S units' budgets could erode quality and service standards and could lead to shifting some O&S service delivery to front line units.
- Unlike its comparator institutions, IFAD has not made much progress in using ICT to leverage staff capabilities. The lack of a clearly established ICT strategy has resulted in a stop-and-go approach; past underinvestment in ICT; and inadequate governance, skill sets, planning for operations, maintenance and upgrading.
- IFAD's efficiency is hampered by inadequate ICT services, including the lack of integrated and interoperable systems, information standards, enterprise information visibility and efficient search-and-analysis functions.

IV. Managing results, budget and people

105. This section presents the CLE findings on the efficiency of IFAD's management of results, budget and people. These functions are cross-cutting, in that IFAD's efficiency in managing its budgetary resources and people has a major impact on its efficiency in programmes, programme management and oversight and support functions, as well as in governance, decision-making and accountability. In addition, since staff and consultant costs constitute 80 per cent of IFAD's administrative budget, budget management efficiency and people management efficiency are closely interrelated.

A. Principal findings – managing results and budget

106. This subsection sets out the principal findings of the CLE on the efficiency of IFAD's institutional management of its results and budgetary resources. Efficiency is addressed – at the outcome level – from two perspectives:

- (i) Whether IFAD's results management process enables it to set strategies and priorities and design work programmes that are expected to produce the best results; and
- (ii) Whether IFAD is able to effectively determine and allocate the budgets needed to execute its work programmes and to monitor their use.

107. Experience in comparator organizations indicates the following requirements for efficiency in the management of results and budget:

- (i) Management's decision-making on strategies and priorities focuses on clearly defined, expected results. Actual results are measured and reported systematically and fed back into decision-making.
- (ii) Work programmes are developed on the basis of selectivity and priorities in line with strategies, corporate priorities and expected and actual results. Budgets are transparently based on such work programmes and related trade-offs so that adequate funding is provided for execution of the work programmes.
- (iii) Clear accountability, effective incentives and robust information systems are in place to empower managers to make optimal use of budgets to execute work programmes and to hold managers accountable for the efficient use of the resources entrusted to them.

108. **IFAD has put in place a comprehensive corporate Results Measurement Framework, and each country strategy has its specific results framework.**

In response to the findings of the Independent External Evaluation (IEE) undertaken in 2005, IFAD has created a comprehensive framework for managing results that includes a Results Measurement Framework, Strategic Frameworks and other tools. This has led to greater attention to measuring and reporting on results. The results measurement framework is now aligned with each replenishment cycle. Since the introduction of results-based COSOPs at end-2006, each country strategy document has its own results framework, with provisions for annual reviews, a midterm review and a COSOP completion review. Projects are required to have a logical framework, with clear and measurable indicators, ensuring that the Results and Impact Management System (RIMS) indicators are also adequately covered. Client surveys at the country level are undertaken periodically to collect client perspectives on the performance of IFAD across numerous indicators.

109. **Regular reporting on performance to the Board and Management, supported by data collection at the project level, is in place.** Each year at the December Board, IFAD Management reports (through the Report on IFAD's Development Effectiveness [RIDE]) on performance against the main indicators covered by the corporate results measurement framework, agreed with Member

States. Quarterly performance reviews are held internally during the year as a means to track progress and make mid-course adjustments, as and where needed. Over time, efforts have been made to strengthen the self-evaluation system. For example, project status reports are prepared once a year during implementation, providing a summary of project performance. The RIMS surveys, though variable in quality, generate a fair amount of data that is used for reporting project performance. Direct supervision and implementation support since 2007 has supported the results agenda by ensuring greater focus on collection of data in key areas of concern to IFAD.

110. **Efficiency of results measurement is constrained by a number of factors, including difficulties in aggregation of results and questions about the reliability of reporting in some areas.** However, there are several constraining factors that limit efficiency and performance of IFAD's results measurement in general. Overall, the results measurement system is overly complex. Many indicators and different layers in the system are not fully aligned, which makes aggregation of results difficult and casts doubts about the reliability of reporting on performance in some areas. One example found by the CLE on gender in 2010 was that different indicators on gender are tracked in COSOPs, RIMS, project status reports and project completion reports (e.g. gender equity, women's empowerment, gender equality) and they cannot be aggregated due to the different underlying development concepts they represent in the area of gender.
111. **Results evaluation is hampered by inadequacy of baseline surveys, complexity of project monitoring and evaluation systems and cost to project authorities of IFAD's reporting requirements.** Baseline surveys are needed for any results evaluation, but are not always conducted in a timely manner, and in several projects, not done at all, often because the funding comes from the project funds and is not available until after the project is approved. Project monitoring and evaluation (M&E) systems are often overdesigned, especially in light of local capacities, and reporting on outcomes and impact levels of the results chain remains weak because of this. The quality of project completion reports varies, and the RIMS indicators are often not properly or fully reflected in project level M&E systems. IFAD's RIMS reporting requirements often pose an extra burden on project authorities as they are required to track and report results to a single donor (IFAD), increasing their transaction costs, in contravention of the Paris Declaration on aid harmonization to build and align with country systems.
112. **Measuring and reporting on overall achievements of country programmes has not yet received adequate attention.** With regard to COSOPs, annual reviews are not being performed across the board, and COSOP midterm reviews are often done late and can be of low quality, as confirmed by the recent Indonesia CPE (2012). Moreover, COSOP completion reviews have not yet been introduced as required by the guidelines for results-based COSOPs approved by the Board in September 2006. Such reviews would give Management and Board an overview of the achievements of country programmes (beyond individual projects) at the end of each COSOP period. In fact, measuring and reporting on overall achievements of IFAD activities, in particular country programmes, including the extent to which policy dialogue, KM, partnership-building and grants are having a synergistic impact aimed at supporting scaling up, have not received the necessary attention. On this topic, once COSOP completion reviews are introduced, IOE could embark on their validations (as for project completion reports). This would further align IFAD's overall evaluation system with the multilateral development banks and increase the robustness of results reported both by Management and IOE.
113. **IFAD's corporate and country-level results frameworks and Medium-term Plans could be used more effectively to guide decisions on strategic selectivity in work programmes.** The following salient findings reported in section II, Programmes and Programme Management, demonstrate this point:

- (i) The current PBAS formula would benefit from explicit recognition of the leverage IFAD has achieved in different countries through cost-sharing by clients and/or cofinancing by other partners.
 - (ii) Insufficient country selectivity is leading to very small PBAS allocations to many countries, contributing to low institutional efficiency.
 - (iii) Inadequate thematic focus in IFAD-supported programmes is undermining operational excellence and hurting efficiency. The strategic frameworks need to do a better job in guiding such priorities.
 - (iv) Weak linkages of non-lending activities to the IFAD Results Measurement Framework have tended to accentuate the lack of incentives and accountabilities for these activities.
 - (v) As the missing baselines of IFAD's projects and programmes to date demonstrate, the majority of them are not developed from the side of impact and outcome statements as determinants of the programme elements and project components, but rather show an ex post retrofitting of outcome targets without available baselines.
114. **Direction from IFAD's Governing Council (GC) clearly points to the need for IFAD to ramp up its results management by making more effective use of existing tools.** The following resolution was approved by the GC in February 2012: "During the replenishment period, the Results Measurement Framework set forth in annex II to the Ninth Replenishment report shall constitute a systematic approach to management, monitoring and measurement to ensure that the intended results have the greatest likelihood of being achieved."¹¹⁶ In light of the GC direction on effective results management, IFAD will need to make substantial progress in this regard over the next three years.
115. **IFAD is making progress in instilling a stronger budget management culture, probably for the first time.** More attention is being devoted to budget formulation, monitoring, execution, and reporting. The 2013 budget formulation, which was carried out after the completion of the CLE review, required business units to decide on trade-offs within a flat nominal budget. This exercise led to budget reallocations of US\$9.4 million (6.5 per cent of IFAD's total budget) across departments, which were primarily aimed at strengthening ICT, PRM and SKM.¹¹⁷ The 2013 budget has also enhanced transparency in the funding of recurrent costs (e.g. several staff positions and some ICT costs) through the annual budget instead of the previous practice of using a part of the management fee from supplementary funds). For several years, resources have also been increasingly shifted towards cluster one (country programme management, project design (loans and grants), and supervision and implementation support), which is the core area of IFAD's work for achieving impact on rural poverty. Some additional resources are also being provided to cluster 2 (high level policy dialogue, resource mobilization and strategic communication), which is also critical for meeting the commitments in the Ninth Replenishment period. However, the efficient use of these additional resources depends upon further enhancing efficiency in PMD and the responsible O&S units.
116. **IFAD's results-based budgeting (RBB) practice could be improved to provide stronger links between budgets and work programmes that are developed with guidance on strategic selectivity provided by its results frameworks and Medium-term Plans.** In IFAD, budgets are allocated to four business areas (clusters)¹¹⁸ to attain a set of outcomes and intermediate corporate

¹¹⁶ Resolutions adopted by the Governing Council at its thirty-fifth session, GC 35/Resolutions, 23 February 2012.

¹¹⁷ IFAD's 2013 Results-Based Programme of Work and Budget, GC 36/L.8/Rev.1, 4 February 2013.

¹¹⁸ The four clusters are country programme development and implementation; high-level policy dialogue, resource mobilization and strategic communication; corporate management, reform and administration; and support to members' governance activities. The first two clusters are classified as operational and the other two as institutional.

management results. This allocation practice enables IFAD to set priorities for the deployment of its budgetary resources to operational and non-operational activities. However, RBB entails using expected results to justify budget requirements, which are derived from – and linked to – outputs that will achieve such results. As discussed above, IFAD’s corporate and country strategy results frameworks and Medium-term Plans could be used more effectively to guide decisions on strategic selectivity in IFAD’s operational work programmes, thereby strengthening and making more transparent their linkage with expected and actual results. In addition, IFAD’s RBB would be strengthened by the use of output-level performance indicators (volume, quality and unit costs) of work programme execution that would provide the specific basis for decision-making on budget allocations to operational units, to fund results-based work programmes. And because non-operational work programmes are mainly driven by the demands of operational work, these changes would help IFAD to better connect its overall budget allocations to departments with results. Admittedly, IFAD is not unique in facing challenges in implementing RBB. A survey of RBB practices in United Nations agencies and other organizations, carried out jointly in 2010 by UNDP, UNFPA and UNICEF, found that RBB appeared to be a work in progress for most organizations, as it continued to be for these three agencies. Nevertheless, the agencies proposed to move forward with “linking all cost categories with their results and indicators of performance,” with the objective of “providing the Executive Board with an overview of the relationship between results and resources at the corporate level.”¹¹⁹

117. **Due to the current state of RBB, the effort to link 2011 budgets with work programmes did not achieve its purpose.** IFAD introduced zero-based budgeting (ZBB) to better align its 2011 budget with work programmes. ZBB, in its various forms, is essentially a technique that line managers use to assess the strength of the relationship between an organization’s corporate priorities, work programmes and budget requirements. Our review of IFAD’s ZBB exercise in PMD showed that the divisions did not justify their total budget requirements on the basis of expected results and planned outputs, but instead focused on justifying their incremental budget needs for 2011 over 2010. This situation did not change with the 2012 budget process. The 2013 POW paper noted that as part of the budget process “Departments provided a prioritized list of activities over and above the baseline that they would like to undertake if additional funding were made available.” This is a step in the right direction for more transparent linking of budgets with work programme priorities.
118. **The result of the ZBB exercise was partly due to the absence of critical budget management information systems such as time recording and cost accounting, impeding managers’ awareness and ability to manage the costs of work programmes.** The use of time recording and cost accounting systems is essential for reliably capturing the full costs of all major business activities performed by staff. We noted that Management’s key commitments under the Ninth Replenishment include the introduction of a time recording system.¹²⁰ Line managers’ ability to manage costs is further hampered by the use of standard rather than actual staff costs for budget planning and expense reporting, as actual staff costs in 2011 constitute 56 per cent of total costs. In 2011, this practice resulted in a budget underutilization of US\$5.5 million, or about 4 per cent of IFAD’s total budget; however, this information was not available to departments until nearly the end of the year.¹²¹

¹¹⁹ *Road map to an integrated budget: cost classification and results-based budgeting – Joint report of UNDP, UNFPA and UNICEF*, 19 July 2010.

¹²⁰ Report of the Consultation on the Ninth Replenishment of IFAD’s Resources, GC 35/L.4, 25 January 2012.

¹²¹ The Flash Report on bilateral consultations to refine the departmental and divisional MTPs, submitted to the July 2012 EMC retreat, noted as follows: “PMD expressed the need for FOD to provide better budget reporting to allow for more effective use of budget allocations by PMD directors. Specifically, reporting of divisional/departmental expenditures and budget availability

119. Budget allocations are not based on priorities and trade-offs across and within work programmes, determined with a medium-term perspective. We noted the following aspects of IFAD's annual budget formulation process that contribute to this situation:

- (i) The Medium-term Plan (MTP) for 2010-2012 (a new MTP for 2013-2015 is under preparation) is intended to facilitate Management's decision-making on how IFAD uses its financial and human resources to achieve its strategic objectives and planned outputs. However, the MTP does not provide any thematic or sectorial planning guidance, nor does it prioritize among strategic objectives or outcomes; it thus does not provide the medium-term business plan scenario and budget trajectory essential for the annual budget preparation. In the absence of a medium-term budget framework, budget planning is done with a one-year horizon, which is suboptimal for RBB in a development organization.
- (ii) The EMC is currently not playing a sufficient role in providing strategic guidance in the preparation of the annual budget, though there have been improvements in the preparation of the 2013 POW. Generally guidance from EMC on annual budget preparation is limited to the narrow parameter of the percentage real budget growth that Senior Management is prepared to propose to the Executive Board. The absence of strategic guidance in a number of areas results in inadequate directions on corporate priorities for departments and divisions in their work programme and budget planning. Examples of areas requiring guidance include: selectivity and alignment of work programmes with the strategic frameworks and responsiveness to changes in the business environment; key messages arising from quarterly corporate performance reviews and independent evaluations; progress in implementation of the CRA; and goals and opportunities for efficiency improvement. For preparing the 2013-15 MTP, IFAD has adopted the following approach: "IFAD as whole should maintain a flat administrative budget, with departments/divisions assuming 92.5 per cent of 2012 budget available in first iteration plans, followed by reallocation of 7.5 per cent holdback."¹²² As noted earlier, the 2013 POW indicates improvements in the strategic allocation of resources, which included specifically the proposed increases in the budgets of ICT, SKM and PRM, and reductions in the budgets of SEC and COM.

120. Accountability for budget management is weakened by the absence of an iterative process of aligning work programmes and budgets during budget formulation and recent changes in the rules of decentralized budget management.

- (i) From our review of the 2011 and 2012 budget preparation, it was not clear to what extent Senior Management considered the budget requirements submitted by the departments and divisions in making decisions on IFAD's total budget and its allocation to departments. Once the budget allocations are decided by Senior Management and the EB approves the proposed IFAD budget, divisions adjust their work programmes and prepare their Divisional Management Plans (DMP) to fit within their budget allocations. This budget process results in inadequate accountability and incentives for departments and divisions to manage budgets efficiently, as decisions on their budget envelopes appear to be disconnected from the units' own estimates of the funding needs of their work programmes. As noted earlier, the 2013 POW

needs to be improved to provide accurate information on a real-time basis. Experience continues to show that budget reporting understates budget availability and prevents divisions/departments from fully utilizing resources available to them in a given year. Among other things, suggestions for improvement include: more frequent update of budgets to take account of foreign exchange fluctuations and real-time reflection of variances between actuals and standard costs for staff expenditures."

¹²² Source: PowerPoint presentation by Strategic Planning Division, SKM: Preparation of the MTP 2013-15.

indicates progress in more transparent linking of budgets with work programme priorities.

- (ii) Devolution of budget management to departmental and divisional levels is an integral element and vital enabler of RBB. This was explicitly recognized in the 2006 report to the Governing Council on the implementation of the Process Re-engineering Programme:¹²³ "Decentralized budget management moved the organization forward towards linking managers' spending decisions to the organization's strategic priorities." The rules of devolved budget management were not adequately defined in the 2008 President's Bulletin, "Revised Framework and Procedures for Decentralized Budget Management."¹²⁴ The long delays in filling vacant positions and managers' use of budgets for these positions to hire consultants for extended periods led to the recent changes involving formal, centralized position control and limited flexibility for managers to use vacancy budgets for non-staff costs.¹²⁵ In the above circumstances, the rationale for the changes is understandable, at least for a period of transition. However, if the restrictions are kept in place beyond a relatively short period, they have the potential to adversely affect line managers' accountability and incentives to manage budgets efficiently, and could also lead to significant transaction costs of position control. Accountability and incentives for efficient budget management are also lessened by the practice of centralized decision-making on allocations of carryovers and fees earned on management of supplementary funds. A better approach would be to allow departments that generate carryovers or manage supplementary funds to receive standard shares of these funds, with the rest being allocated centrally by the institution.

121. The absence of an integrated review of work programme delivery and budget utilization, timely reporting to the Executive Board on such reviews and meaningful key performance indicators lead to important gaps in IFAD's budget management efficiency. In this regard, the following significant issues came to our attention:

- (i) The quarterly corporate performance Reports (CPRs) are well-focused on issues of work programme execution and deliverables. However, the apparent lack of integration between the CPR for the second quarter of 2011 and the 2011 midyear budget review contributed to a disconnect between the three closely related dimensions of managers' accountability – work programme execution, use of budgetary resources and human resource management.
- (ii) Management's key commitments in the Ninth Replenishment included the development of efficiency indicators.¹²⁶ This provides a promising starting point to develop and implement a framework for managing administrative efficiency (see earlier discussion of managers' accountability in section III, Oversight and Support Units). In this regard, it is particularly important that quantitative measures of efficiency be used in combination with qualitative measures. Otherwise, with the prospect of zero budget growth in the medium term, managers risk making efforts to reduce costs and improve output efficiency without full consideration of the implications for outcome efficiency. The evaluation findings regarding indicators are further discussed in paragraphs 178-185.

¹²³ Process Re-engineering Programme, Report on the Implementation of Phase I, GC 29/L.10, 25 January 2006.

¹²⁴ President's Bulletin, PB/2008/07, 23 April 2008.

¹²⁵ President's Bulletin, PB/2012/03, 9 March 2012, Procedure for decentralized budget management of salary funds from vacant fixed-term staff positions.

¹²⁶ The following paper included interim proposals for new indicators, subject to validation when the CLE is completed: Managing for efficiency in IFAD: Progress under IFAD8 and proposals for IFAD9, REPL.IX/3/R.2, 29 September 2011. In the draft report on Ninth Replenishment Consultation, the key commitments under Institutional Efficiency include "Develop key business process efficiency indicators and benchmarks to facilitate identification of opportunities for process streamlining and cost-saving."

- (iii) The absence of a practice of submitting retrospective work programme and budget reviews to the Board weakens Senior Management accountability and Board oversight of performance. On the other hand, the separate Preview and POW papers submitted to the Board within the space of a few months are partly duplicative and costly to prepare.
- (iv) Starting in 2011, Management has made a concerted effort to undertake detailed midyear budget reviews and track budget execution on a more frequent basis. This has allowed the organization to make reallocations, as needed, during the year for better results.

122. **A comparison of the ratio of IFAD's major expenses to the total budget with comparator institutions indicates relatively higher expenditures for consultants and lower expenditures in such areas as office facilities costs** (table 9). As mentioned in section III, comparisons of costs across different organizations are affected by a range of factors, including differences in their size, business model, business processes and organizational structure. Despite such limitations, the comparison highlights the following:

- (i) IFAD's staff costs as a ratio of the total budget are closer to those in the MDBs than in the other United Nation agencies and the Global Fund. Staff costs are addressed in the discussion on Managing People.
- (ii) Consultancy expenses as a ratio of the total budget are similar to those in the Global Fund, but much higher than in the other comparator institutions. IFAD's practice of hiring consultants is discussed in section II (Programmes and Programme Management).
- (iii) Travel expenses as a ratio of the total budget are roughly comparable to those in the comparator institutions. Recent changes in IFAD's travel policy are discussed above.
- (iv) All other expenses (including office facilities costs) as a ratio of the total budget are lower than those in the MDBs as well as in the United Nation agencies.

Table 9
Comparison of expense ratios with comparator institutions¹²⁷
Percentage

<i>Expense category</i>	<i>IFAD</i>	<i>AfDB</i>	<i>AsDB</i>	<i>IADB</i>	<i>UNDP</i>	<i>UNICEF</i>	<i>GF</i>
Staff	64	65	65	68	79	73	71
Consultants	16	6	6	9	2	1	15
Travel	6	8	6	2	3	3	5
All other (including office facilities costs)	14	21	23	21	16	23	9
Total	100	100	100	100	100	100	100

Source: Board budget papers of above institutions.

123. **In June 2012, the EMC approved a number of changes in the travel policy aimed at saving travel costs.**¹²⁸ The changes included: implementing a preferred hotel programme in conjunction with the other Rome-based agencies; (ii) eliminating the 50 per cent of DSA for overnight travel; and (iii) encouraging the use of low-cost carriers. However, encouragement of the use of low-cost carriers may not be effective without a preferred airline programme in conjunction with the Rome-based agencies. In this regard, we noted that the EMC at the same June meeting authorized the CSD Head to establish a working group to review

¹²⁷ A number of comparator institutions do not disclose their expenses by expense category in their board budget papers. Hence the comparison in table 9 is more limited than in tables 4 and 5.

¹²⁸ Source: Minutes of EMC meeting, 7 June 2012.

incentives for identification of least-cost travel options, options for preferred airline programmes, timing and effectiveness of travel authorizations; and efficiencies in processing travel authorizations and arrangements. The EMC also approved maintaining a 4-hour travel-time threshold beyond which business class flights will be endorsed, with all travel in Europe to be authorized in economy class. The provision for economy class travel in Europe mitigates the cost impact of business class travel on trips exceeding 4 hours, as such travel would in most cases be transcontinental; travel policies in other IFIs usually allow for business class travel on transcontinental flights. A survey carried out in 2010 through the IFI Benchmarking Website showed that the large majority of travel (about 70 per cent on average) in the five IFIs that responded¹²⁹ to the question on class of travel is conducted in business class.

124. **IFAD's corporate budget function is significantly understaffed for its proper corporate role of oversight and analysis.** The budget function, located previously in FOD and moved to OPV in December 2012, is staffed with only one P-3 and one junior P staff. The staff is overstretched in executing its heavy workload and lacks the necessary capacity as well as sufficient visibility and weight in the institution.¹³⁰ The plans to hire a manager at the P-5 level might not provide the required seniority or staff capacity to lead the corporate budget process.
125. **The consultation with IFAD Governing Bodies and corresponding approval process of the annual work programme and budget processes for both IFAD's programme of loans and grants and administrative budget, and for IOE's work programme and administrative budget are cumbersome.** The question arises whether there are ways for streamlining the consultation and approval process, while ensuring that the Governing Bodies are able to discharge their role of providing strategic guidance and oversight appropriately. IFAD Management is required to have annually a total of five interactions, respectively, with the Audit Committee (in September for the high level preview and November for the final submission), EB (in September for the preview and December for the final submission), and thereafter with the GC in February of the subsequent year for the approval of the budget (noting that the work programme is approved by the Board in December). The situation for IOE is even more taxing, with two additional presentations (to the Evaluation Committee in July for the preview and the final proposal in October). IOE therefore has to make a total of seven presentations to the Governing Bodies for securing the budget approval of around US\$6 million.

B. Principal findings – managing people

126. **People management efficiency is a function of (i) the degree to which the institution assembles the right workforce (staff and consultants) to achieve its business objectives at least cost and at no concession to quality and (ii) the level of sustained performance it generates from a focused and motivated staff cadre.** Staff and consultant costs constitute 80 per cent of IFAD's administrative budget, making people management efficiency central to overall institutional efficiency. To evaluate people management efficiency, the CLE focuses on the skills composition, cost and performance of the workforce. People management issues are cross-cutting. Shortages of in-house technical capacity, overreliance on consultant expertise for core work and a high staff-cost structure are themes that also surface prominently in the sections on programme management and oversight and support functions.
127. **The CLE recognizes the considerable attention the institution has paid to improving people management, culminating in the current unfolding Human Resources Reform component of the Change Reform Agenda (CRA).**

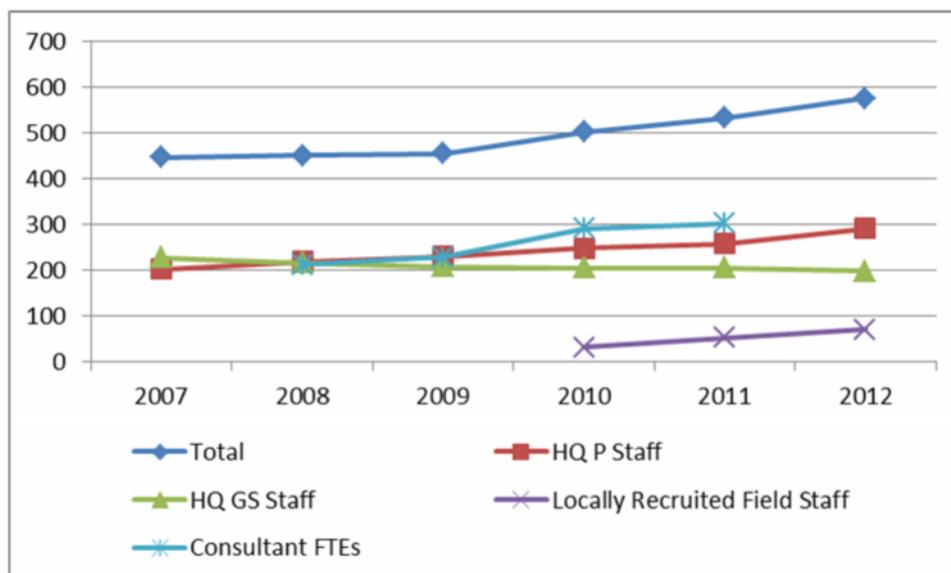
¹²⁹ IFAD was not one of the responding IFIs to the question on class of travel.

¹³⁰ The 2010 external consultant review of IFAD financial services and treasury recommended the creation of a budget preparation division.

This marks the fourth occasion IFAD has confronted shortcomings in its HR management in little more than a decade. Earlier attempts led to incremental improvements but tended to lose impetus or focus and ultimately fell short of expectations, with many issues persisting. This may be partly explained by the intractability of the problems and the lack of continuity in HR leadership during the period, though the appointment of a new divisional director in 2011 has since provided much needed leadership of the function. The HR function found itself in a reactive mode, playing catch-up to evolving institutional trends; the most recent example being the late attempt to put in place the necessary HR policy framework to support the strengthening of country presence.

128. **Since 2007, IFAD's workforce has been growing steadily.**¹³¹ During the period, total staff has increased by roughly 30 per cent while consultant FTEs increased by 43 per cent from 2008 to 2011 (see figure 9).¹³² Staffing at the P levels increased by roughly 65 per cent in the period and a significant number of national staff has been hired in the field.¹³³ GS staff numbers have remained relatively stable between 2007 and 2012.

Figure 9

IFAD workforce trends 2007-2012

Source: IFAD annual reports; annual results-based programme of work and administrative and capital budgets.

129. **The nature of the IFAD employment relationship has been changing quite dramatically.** An organization in which most staff traditionally enjoyed open-ended appointments and a commensurately high degree of job security had changed by end of 2011 to one in which some 60 per cent of staff held (renewable) fixed-term appointments. A further 15 per cent held temporary appointments, bringing the total time-bound appointment complement to over three-quarters of the staff. This percentage is likely to increase further with the attrition of older, more tenured staff. At one level, IFAD is simply following the IFI trend towards a fixed-term (renewable) contract regimen and must be commended for injecting fluidity into the employment mix. Yet, care will also be required to ensure that time-bound employment contractual horizons do not impede efforts to build up and

¹³¹ Unless otherwise indicated, all workforce data is based on reports prepared for the CLE team by the HR Analysts unit in HRD in late 2011. The 2011 fourth quarter CPR published subsequently presents incrementally updated data, but the differences and trends are at the margin.

¹³² Due to data inconsistencies, 2008 is the earliest date for tracking consultant use trends.

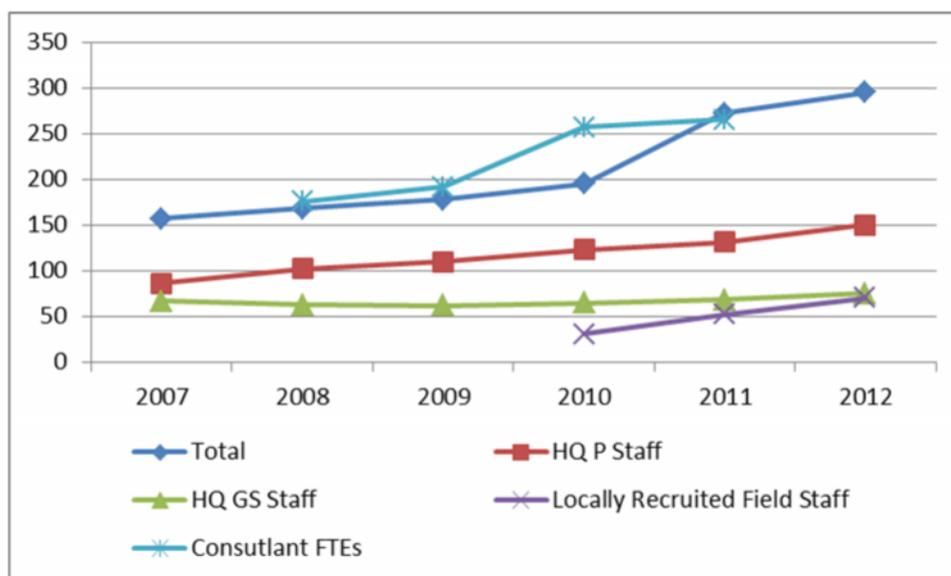
¹³³ The pace of growth of national staff is not accurately represented by the raw HR data. However, some of the "hiring" in the field amounted to reclassification of individuals already working for IFAD, but under contract with other United Nations agencies.

retain core expertise by rendering the institution unattractive to the very talent it most needs.

130. **The expansion of the workforce has occurred piecemeal and without a clear strategic perspective.** The IEE report clearly flagged the potential for substantial skills renewal in the wake of high natural attrition of Professional staff in immediately subsequent years. IFAD failed to capitalize on this opportunity, notwithstanding the pressing need for additional and new skills aligned with the new business model. Staffing decisions were made mostly at the divisional level, without the benefit of strategic or institutional oversight. Line managers frequently met the needs of work programmes by using budgets earmarked for the filling of vacant staff positions to hire consultants instead.
131. **The concept of a Strategic Workforce Plan, introduced in 2010, though it contained few specifics and enjoyed uncertain ownership within IFAD, constituted a necessary and useful first step toward improving staffing practices.** The CLE believes that the lack of a coherent staff planning process and the somewhat laissez-faire approach to filling vacancies have contributed directly to workforce inefficiency. There are critical gaps in the current staffing mix, particularly in the area of technical talent in operations: units rely too heavily on consultants for core work, and the buildup of national staff in the field has been underexploited. These issues are dealt with below. A second, more rigorous effort at strategic workforce planning was completed following the Job Audit. In all likelihood it would have been better if this planning exercise had preceded the audit.
132. **Professional staff in PMD more than doubled between 2007 and 2012 (see figure 10) but little of this growth added to the pool of technical specialists; IFAD remains excessively reliant on consultants for core programme and project work.** Section II (Programmes and Programme Management) highlights the low staff-consultant ratio (roughly half that of IFI comparators), the paucity of in-house technical capacity and the fact that little of this capacity is available for services at the client interface. A strong case is made in that section for altering the staff-consultant mix and strengthening project teams with in-house technical capacity. The number of consultant FTEs, mostly used to provide technical support to project teams in PMD, mushroomed from 176 in 2008 to 265 in 2011. The average length of individual contracts remains at just over 30 days, but the number of consultants who worked more than 100 days cumulatively per annum rose to 177 by 2011, a more than twofold increase over 2005. In effect, there is a buildup of a shadow workforce without quality-at-entry due diligence and with important implications for the institution. The CLE recognizes that strengthening in-house technical capacity and substituting staff for consultants will increase costs. Cost increases, however, have to be set squarely against the anticipated improvements in outcomes and impact, such as through greater success in policy dialogue toward scaling up.
133. **Average staff costs at IFAD are high for a combination of demographic and salary scale reasons.** Though it is altering with the intake of more junior staff and the imposition of term-only appointments, the staff structure continues to be populated at both P and GS levels by many long-serving staff at or close to the ceiling of their respective grade ranges and salary bands. To compound matters, Professional staff tend to be recruited high in the grade range (25 per cent enter IFAD employment directly as P-5s), leaving little room for professional growth and cementing-in high per capita salary costs. Support staff compensation levels in Rome present a particular problem. Using GS salary survey methodology, the recent Birches study estimated that IFAD GS salaries were 18-42 per cent higher than the equivalent US State Department and World Bank Rome office scales. The impact of inflated scales is amplified by the unusually high GS to P staff ratio – roughly 0.7:1 (down from close to 1:1 in 2008) in IFAD versus a benchmark

average of 0.28:1. Moreover, GS salary scales overlap with those of contiguous professional grades to an extent not found elsewhere.¹³⁴ The study did not find professional grade scales to be similarly out of line: they are, in fact, on average, 17 per cent lower than the comparator equivalents. The institution recognizes the cost anomaly nestled in the GS Rome salary structure and is proactively addressing it through the embargo on GS staff promotions and dampening of normal salary progression. The strategic workforce objective is not only to lower per capita GS staff costs but also to scale back the proportion of the GS staff; this is crucial for enhancing IFAD's administrative efficiency in the future. However, this is not happening as quickly as needed, partly because of a significant countervailing buildup of GS staff on temporary appointments and the challenges associated with separating staff on career contracts. And, with isolated exceptions – the Nairobi regional office – the potential to reduce staff costs by exploiting the differentials between field- and Rome-based salaries has yet to be realized.¹³⁵

Figure 10
PMD workforce trends



Source: IFAD annual reports; Annual results-based programme of work and administrative and capital budgets.

134. **Staffing demographics also contribute to high staff cost and thus to people management inefficiency.** Though it is altering with the intake of more junior staff and the imposition of term-only appointments, the staff structure continues to be populated at both P and GS levels by many long-serving staff at or close to the ceiling of their respective grade ranges and salary bands. In addition, professional staff tend to be recruited high in the grade range (25 per cent enter IFAD employment directly as P-5s), leaving little room for professional growth and cementing in high per capita salary costs.
135. **Attempts to stimulate turnover by means of financial inducements have proven to be both largely ineffective, yet upcoming natural attrition gives the institution latitude to renew staff while containing salary costs over the coming five years.** The disappointing results of the voluntary separation programme (VSP) demonstrated that most longer-serving staff finds continuing employment with IFAD more attractive than early departure on financially attractive terms. Continuing membership of the United Nations compensation and superannuation system effectively rules out more ambitious early retirement

¹³⁴ Unsurprisingly, the Birches findings are hotly contested by the IFAD Staff Association's Executive Committee members who met with CLE team members, and disputed more generally by GS staff who participated in focus group meetings.

¹³⁵ Based on 2011 standard staff cost data, locally recruited field positions are roughly one third to two thirds less expensive than Rome equivalents. There are pronounced regional disparities: Latin America is the most expensive region in which to hire local national staff; on the other hand, Africa is the least costly.

scheme experimentation. Turnover inertia at senior P and GS levels clearly sets limits on the institution's scope to replenish skills sets but should not be construed as an absolute impediment. Sufficient latitude is in fact present in the system. The CLE finds that natural attrition through mandatory retirements in the upcoming five years through 2017 provides ample scope for the institution to build up its technical core and make adequate adjustments to other skills sets. A firm stance on renewal of fixed-term appointments of mediocre performers, together with a more creative approach to maximizing the potential of field staff will only augment these degrees of freedom further. The CLE has developed some preliminary scenarios which indicate that such strategic management of the workforce could create room within the current salary budget for IFAD to add necessary skills.

136. **The cohort of locally recruited national staff in the field is expanding rapidly without the benefit of an agreed framework for this increasingly important segment of the workforce.** According to recent reporting, 40 national officers had been recruited, together with a greater number of support and ancillary staff. However, most recruitment to date has taken place without strategic oversight, a template of policies and rules, or a clear understanding of the full potential of the role and scope of national staff. The recently promulgated new Staff Rules and the new Country Office Handbook should impose order on the hiring processes and on country office management and are welcome developments.
137. **Little substitution of staff between headquarters and the field offices is taking place, denying the institution the potential efficiency gains of moving work to lower-cost locations that are closer to clients.** Arguably the most glaring deficiency in the implementation of the country presence model is the fact that locally recruited national staff has been treated, de facto, as complementary to, rather than a replacement for, current Rome-based staff capacity. This pushes up staffing costs in absolute terms and may hinder efforts to leverage the full potential of national staff, in particular the CPOs. Recent decisions, such to have only one GS staff – either in the field or headquarters – in place where IFAD has a country office, will help to contain costs.
138. **Insufficient attention has been paid to realizing new skills profiles of CPMs, pivotal to the success of the new business model.** The requisite CPM profile has been altered significantly by the imperatives of the new model.¹³⁶ The prior CPM role occupied a very entrenched place in the prior IFAD operating model. Traditionally it bestowed primacy on country relations management, with project design and supervision effectively outsourced and managed at arm's length. The new model has brought responsibility for design, supervision and implementation support of projects in-house; and replication of projects for scaled-up impact has become central to the institution's mission. The implications for the CPM role could not be more pronounced. A high-performing CPM would now be expected to (i) assemble and lead project teams; (ii) have sufficient technical depth or cross-functional appreciation to manage specialist expertise (currently mostly consultant-based) embedded in project teams; (iii) manage country relations with a view to encourage partnerships for scaling-up; and (iv) manage the interface with other development partners, including the private sector, to create opportunities for scaled-up impact.¹³⁷ PMD leadership is to be commended for recognizing this profound change by championing a series of well-received training programmes on design, DSIS and other pertinent topics, targeted at the new profile. It is unlikely, however, that sufficient change in terms of role, skills and mindset of the magnitude required can be brought about by voluntary participation in training alone.

¹³⁶ This topic straddles programme and people management efficiency and is dealt with at length in the section addressing the former.

¹³⁷ The most proximate analogy of the new CPM role may be the typical engagement manager of a large management consulting practice. To extend the analogy, the role of partner, with geographic responsibility in such a practice, would roughly equate with that of the IFAD regional director.

139. **The available data on CPMs' skills and backgrounds profiles a cadre of experienced development professionals.** Most CPMs share an academic and professional career background, working in development in general and IFAD in particular. Roughly 80 per cent of CPMs hold at least one master's level degree, mostly from well-regarded universities and institutes; many possess more than one. More than half have academic credentials directly germane to IFAD's mission (defined as highest degree in agricultural science, rural development, agricultural economics or equivalent), in several cases up to the PhD level. Almost all current CPMs (98 per cent) have spent over 10 years working in development: three-quarters (76 per cent) have an IFAD association extending beyond 10 years, and over a third (36 per cent) have been in situ for more than 10 years. That said, it must be conceded that many of the current cadre of CPMs have limited direct experience in leading complex project teams and few have been tested in the arena of successful scaling-up. Additionally, little consideration is given to the softer skills – the capacity to engage partners or undertake policy dialogue. These concerns are important because the evidence strongly suggests a wide discrepancy in the performance of individual CPMs: in some cases, an impressive background does not (or no longer) translate into acceptable performance. Management is looking into this issue in the context of the recently completed strategic workforce planning exercise.
140. **Insufficient attention is paid to how CPM potential talent is groomed internally or to how CPMs are recruited externally and regional approaches continue to differ markedly.** The CLE team believes that the Associate Country Programme Manager (ACPM) role has not served the institution well. Too often it has been leveraged as a crossover point for externally funded and other generalist staff aspiring to transit to regular IFAD employment. This is directly contrary to the strategic core of the CPM role. Additionally, little thought has been given to the ranks of CPOs in the field as a source of potential CPMs capable of making the transition to an international career. The CLE fully recognizes that such a transition will likely be the exception rather than the norm and that in-country success does not necessarily translate into cross-country effectiveness.
141. **Rotation of CPMs across regions is a desirable strategic workforce objective.** Systematic acquisition of cross-regional experience by CPMs is important for career development, succession planning and KM reasons. Currently, the scope to manage CPMs as an institutional asset is hampered by the variations in CPM positions across regions and the absence of established rotational mechanisms.
142. **The policy surrounding assignment of CPMs to country offices needs review.** There is no clear or defensible rationale for allowing the field placement of CPMs to be optional or dictated by the preferences of the individuals concerned. The new incentives for P staff in field offices may prove effective and go a long way towards ensuring that moving to the field can occur without financial penalty: they will of course result in increased costs but that might be justified for both policy and practical reasons.
143. **Opportunities for systematic staff and career development at IFAD are limited.** In a relatively flat organization below D levels – and given workforce demographics – career development at IFAD is increasingly confined to lateral mobility opportunities and taking on of new challenges. Notwithstanding the recent successes in PMD, career development is hampered by the absence of a strong, institutionalized staff rotation process. Staff is clearly unhappy with the status quo: the 2010 Attitude Survey - question 104 – “I have adequate opportunity to advance my career” – received favorable ratings of only 19 per cent and unfavorable ratings of 54 per cent. The institution has a fairly orthodox formal staff development and training programme with a centrally held annual training budget. The 2011 fourth quarter CPR reported that 70 per cent of staff had attended at

least one training event during the year. However, the sense emerging from CLE focus groups and other meetings is that IFAD does not have a strong staff development culture. Continuous learning is not perceived as a core undertaking. Attitude survey responses support this observation. Staff opinions tend to be lukewarm with high neutral and less than 50 per cent favorable responses.¹³⁸ Whether this is a function of staff indifference to personal development or is a commentary on the quality or relevance of the formal menu of training programmes (or some combination of both) is impossible to gauge with any precision. The CLE concludes, however, that the institution is not making full use of the potential of its staff leading to inefficiencies in people management.

144. **IFAD is not yet placing sufficient emphasis on accountability for superior, sustained performance and for performance management, more generally.** Performance management is the third pillar of the People Management Efficiency Framework; yet it is found to be weak. IFAD lacks an organizational culture with embedded performance focus and accountability. This is borne out by the results of the CLE staff surveys. For example, only 43 per cent of CPMs and 36 per cent of technical staff agree that IFAD's culture, incentives and HR policies promote accountability for achieving results; responses at the "agree" and "strongly agree" level are only 16 per cent favorable for CPMs and 14 per cent for technical staff. To the extent that indices of staff engagement shed light on performance – or indicate high motivation – staff surveys tell a more nuanced story. Questions about personal awareness of deliverables and assumption of responsibility score highly (90 per cent favorable), while views on the divisional or higher-level awareness fall into the 50 per cent favorable range. The CLE surveys further reveal that engagement levels are significantly higher at GS levels in the institution (60 per cent versus 50 per cent ranges, respectively).
145. **The PES, a key performance management instrument, is cutting-edge in terms of design and it is well supported by HR, yet it struggles to elevate performance or to differentiate evaluations in a meaningful way.** Outstanding performance is, at best, recognized in symbolic but not tangible ways, and cases of underperformance seem to be mostly overlooked and undocumented. The lack of seriousness is evident in the asymmetrical distribution of PES ratings, which are heavily skewed towards the right-hand side of the performance bell curve. In the 2009 and 2010 performance periods, two-thirds of staff or more were rated as being "fully satisfactory" or "fully meeting expectations," with the remaining third being rated as "superior," "exceeding expectations" or, in 2009 when the category existed, as "outstanding". Conversely, only 2-3 per cent of staff warranted a "partly satisfactory" or "partly met expectations" rating¹³⁹ and only one staff member was rated "unsatisfactory" or "did not meet expectations". The distribution of ratings departs from the more normal pattern to be expected from an organization of IFAD's size and sophistication and is also at variance with what some senior managers reported to the CLE. While not empirically verifiable, most senior managers view the percentage of staff that are underperforming to be notably higher than the numbers given above. This Management perspective, it should be noted, is not fully supported by the results of the two most recent Staff Surveys which offer somewhat contradictory findings on this topic: confidence in the accuracy and fairness of individual performance ratings fell between 2008 and 2010, while belief that corrective action would be taken when performance standards were not met actually rose.
146. **A risk-averse approach to performance management is part of IFAD's organization culture.** The drivers of risk aversion are likely numerous, intertwined and mutually reinforcing. They may stem partly from shared tendencies

¹³⁸ Corresponding World Bank responses, in contrast, are in the 70+ per cent favorable range.

¹³⁹ The breakdown of "partly satisfactory" ratings by department does not indicate a pattern of "repeat offenders" and seems relatively randomly distributed by department over time.

towards harmony and inclusion and away from conflict and discord. Equally, managers appear to be tolerant of moderately satisfactory (or “good enough”) performance and are generally apprehensive about the possible reputational risks associated with becoming embroiled in the formal grievance process, notwithstanding the rarity with which this actually occurs.¹⁴⁰ To some extent, performance problems appear to be dealt with outside of the formal performance management processes. In the period from 2005 to 2011, for example, there were as many terminations resulting from non-renewal of term appointment as there were from voluntary turnover. However, notwithstanding the attractions of expediency and even though the majority of staff are now on fixed-term appointments, letting fixed-term appointments lapse is not a substitute for proactive performance management, including use of the probation process, dealing honestly with performance through the PES and when necessary – and with proper HR support – navigating performance cases through the grievance process.

147. **Weak performance management and the lack of accountability for results lead to “pockets” of underperformance and non-performance, which account for a significant loss in IFAD efficiency.** This highlights the urgent imperative for Senior Management to tackle this issue and foster a culture of high performance and accountability for results.

Key points

Managing results and budget

- IFAD has created a comprehensive framework for managing results in response to the IEE, but has not yet used it to establish clear linkages between work programmes and budgets and expected and actual results. Recent direction from the GC on results management highlights the need for IFAD to ramp up its current efforts.
- IFAD is making progress in instilling a stronger budget management culture in general. More attention is being devoted to budget formulation, monitoring, execution and reporting. The 2013 budget has also enhanced transparency in the funding of recurrent costs.
- Budget allocations are not transparently based on prioritization and trade-offs across and within departmental work programmes, determined with a medium-term perspective. The 2013 POW indicates some progress in prioritization of budget allocations.
- Accountability for budget management is hampered by the absence of an iterative process of aligning work programmes and budgets during budget formulation and recent changes in the rules of decentralized budget management.
- The absence of an integrated review of work programme delivery and budget utilization, timely reporting to the EB on such reviews and meaningful key performance indicators, lead to important gaps in IFAD’s budget management efficiency.
- People management has been and remains a challenge for IFAD, despite repeated attempts to address shortcomings over the last decade.
- Implementation of human resources reform has picked up momentum under the leadership of the new director appointed in 2011, and the comprehensive job-audit and strategic workforce plan is a welcome initiative.
- IFAD’s staff skills, particularly in programmes, are not fully aligned with the requirements of the new business model.
- Staffing of expanded country presence has lacked a strategic perspective and is

¹⁴⁰ According to LEG, the ILO appeals hearing, the ultimate stage of the grievance process, has been resorted to only about twenty times in the history of IFAD.

thus underleveraged.

- IFAD's staff costs are high, yet needed room for desired skills can be carved out while addressing the existing inflated cost structure.
- Uneven staff performance, driven by weak and risk-averse performance management, is a major contributor to inefficiency in people management.

V. Organization, leadership and decision-making

148. The preceding sections have addressed different aspects of IFAD and their bearing on IFAD's efficiency, particularly with respect to IFAD's imperative of contributing to the achievement of scaled-up impact. All of those aspects are significantly influenced, if not driven, by IFAD's leadership, the subject of this section, and governance, covered in the following section. This section sets out the principal findings of the CLE on the efficiency of IFAD's executive decision-making processes, and the underlying delegation of authority (DoA) and accountability framework. These aspects are assessed in the context of IFAD's new business model, which underscores the importance of: direct supervision and implementation support (DSIS); expanding country presence; and enhanced focus on results. **IFAD has strengthened its organizational structure in the past few years with the intent of improving institutional effectiveness and efficiency.** This is reflected in the establishment of the SKM Department, Financial Operations Department, Corporate Services Department, Environment and Climate Division, Partnership and Resource Mobilization Office, Statistics and Studies for Development Division, and the Ethics Office.¹⁴¹ At this stage it is not yet possible to comment on their full performance, given that these departments/units were established relatively recently.
149. **IFAD's top leadership is championing increased efficiency, which is important to ensure the required momentum of the changes that are being deployed.** However, in some instances, the need to pursue efficiency gains is not clearly understood or accepted by staff. This might in part be due to insufficient communication from managers clarifying the underlying rationale for efficiency reforms and the fact that efficiency improvements may also necessitate adjustments to benefits and entitlements staff have enjoyed in the past. Efficiency improvements also suffer from low visibility in managerial accountability and performance evaluations.
150. **IFAD's decision-making processes are perceived as time-consuming and cumbersome.** In the 2010 Global Staff Survey, 60 per cent of the respondents reacted unfavorably to the proposition "IFAD's internal procedures are efficient" – one of the areas with the most negative perceptions. These views are strongly confirmed in the 2011 CLE survey, where 86 per cent and 88 per cent of the respondents "agree" or "strongly agree" that IFAD's institutional efficiency suffers significantly from cumbersome internal decision-making (as well as time-consuming administrative processes, discussed in section III). The speed at which decisions are implemented is perceived more favorably (table 10).
151. **IFAD relies on a large number of committees and working groups relative to its small scale.**¹⁴² This imposes a significant burden on the small circle of the participating managers. This strong reliance on "committee decisions" is increasingly in contradiction with (i) recent organizational strengthening through a

¹⁴¹ Starting from December 2012, the Budget and Organizational Development Unit will no longer be located in the Financial Operational Department, but in the Office of the President and Vice-President and report to the Vice-President.

¹⁴² They reach from management committees, including EMC, OMC, IMT, PDMT, OSC, Policy Forum, Management Review Group to oversight committees, including QE, QA, FICO, FALCO, Risk Management Committee, ICT Governance Committee, Publications and Communications Committee, HR Selection Committees, to working groups, such as Procurement WG, Institutional Contract WG, Project Life File WG, PBAS WG, Blend Terms WG, IOE Consultant Management WG, LGS Steering Committee et al.

number of high-level line manager appointments; (ii) the evolving demands of the adopted business model, including the challenges of managing an expanding number of country offices;¹⁴³ and (iii) the demands to manage for results more efficiently and effectively. Those growing tensions are illustrated in table 11.

Table 10
2011 CLE survey on IFAD's decision-making

<i>"IFAD's institutional efficiency suffers significantly due to:"</i>		CPMs	Technical Staff	GS Staff		
<i>On a 6-point scale, responses were classified as: 4 = partially agree, 5 = agree, 6 = strongly agree</i>	4+5+6	5+6	4+5+6	5+6	4+5+6	5+6
Time-consuming administrative processes	100%	86%	100%	89%	88%	64%
Cumbersome internal decision-making processes	97%	88%	100%	68%	91%	61%
Slow implementation of decisions	77%	49%	95%	63%	85%	57%

Source: CLE survey

Table 11
Managerial decision-making at IFAD – “prevalent mode” vs. “requirements of new business model”

Topic	Prevalent mode	Requirements of new business model
Accountability of line manager	Weak accountability, combined with extensive upward delegation for committee decisions	Strong accountability of line managers, anchored in performance contracts
Focus of decision-making	Compliance control	Substantive guidance
Review/control intensity	Ex ante controls translate into multiple, iterative sign-offs, very costly	Ex post outlier controls in the context of delegated authority and accountability
Speed of decision-making	Slow, decisions delayed	Fast, decisions taken just in time
Risk management	High risk aversion, Bureaucratic ERM process of little relevance	Risk acceptance in line with clearly defined institutional risk boundaries, Agile, just-in-time operational risk management to shape operational outcomes

Source: CLE author

152. **The Executive Management Committee and Operations Management Committee were set up in 2009 to enhance the accountability of managers, divisional coordination and transparency in decision-making.**¹⁴⁴ The intent of the EMC committee, chaired by the President, was to “strengthen the corporate culture and ways of working within the Fund... to strengthen the accountability of line managers, [and] to improve corporate decision-making.” The OMC, chaired by the VP, was charged to “oversee the implementation and delivery of the Fund’s corporate policies, strategies, programmes of work and budget. To this end, it shall be responsible for identifying and taking decisions on routine operational matters.” The OMC was also increasingly used as a means to enhance corporate communication. Both meet once a week. Overall, EMC and OMC have considerably improved transparency but coordination across units to achieve corporate objectives is still weak.
153. **While the EMC and OMC were designed to be complementary, in practice, their agendas and participation became overlapping.** Typically, OMC members had to be “...reminded to discuss operational issues at the OMC rather than pushing all decisions to EMC...” OMC rules and procedures are currently under review. As vehicles for information sharing, they are costly. Two out of three EMC agenda items refer to internal arrangements and housekeeping, reinforcing an “inside” and HQ-centric perspective. Consensus-building intentions overrule the elimination of agenda items that do not require committee decision. Valuable committee time is inefficiently spent on topics that could be addressed by line

¹⁴³ In 2011, 86 FTEs were posted to IFAD field offices, of which 19.75 internationally recruited and 66.50 locally recruited FTEs; see Addendum to IFAD's 2012 results-based programme of work and administrative and capital budgets, EB 2011/104/R.2/Rev.1, annex VI.

¹⁴⁴ See President's Bulletin, PB/2009/04 of 8 May 2009.

managers or through one-to-one meetings. This may also contribute to an upward delegation of decisions, delays and managerial risk aversion. The interviews conducted by the CLE team provided little evidence that OMC and EMC meetings had the intended impact of strengthening IFAD's corporate culture. However, the structure, composition and mandate of the OMC was reviewed in 2012 and modified with the aim of addressing some of the above issues.

154. **The roles and responsibilities of the Office of the General Counsel have been strengthened since 2008.** LEG's dual accountability is to provide neutral legal assistance to the Executive Board and to Management. In general LEG's support for projects is broadly assessed as of good quality, though with some variance. However, feedback from IFAD managers and staff reveals that LEG is often required to clear numerous documents adding to the time for processing.
155. **LEG's role in corporate-level policies and decisions on corporate-level issues needs further clarity.** Besides being the custodian of IFAD basic texts, the function of the General Counsel on corporate issues, as mentioned above, is to provide arm's-length opinions based on his/her independence and neutrality. However, LEG at times might have operated beyond its remit, partly due to situations where EMC discussions remain inconclusive and the follow-up falls on LEG, or where the OPV or EMC do not attribute ownership of a corporate-level initiative to the functional department, but rather to LEG. This may also be due to at times inadequate leadership of the responsible functional departments in effectively driving corporate-level proposals. As the organization evolves, the need for a clear division of roles between LEG and other organizational units increases, even though this may not always be easy. Further in terms of the accountability framework under accepted governance standards, IFAD lacks a visible independent "Compliance Function" as has become the norm in IFIs.¹⁴⁵ This issue may require more analysis.
156. **Delegation of authority (DoA) at IFAD remains limited, with a focus on signing and compliance procedures.** IFAD is set up with all authority vested in the President.¹⁴⁶ IFAD's Handbook notes: "The President of IFAD... is responsible for conducting the business of the Fund. No member of the staff of IFAD has any authority unless it has been delegated to him/her by the President." The formal DoA instruments have expanded in an ad hoc manner, including manuals, office memos and other documents, with overlaps, gaps and inconsistencies, as stated in a 2000 audit. Ever since, LEG has helped clarify and streamline the issued DoA instruments; this process came to a conclusion in 2011 with the "Revised IFAD Manual and Framework for Delegation of Authority at IFAD."¹⁴⁷ Further work is needed to flesh out the more substantive delegation of roles and responsibilities. Until then the DoA framework remains incomplete; limited substantive delegation of authority may increasingly conflict with changing business needs associated with a decentralized institution.
157. **Existing job descriptions, terms of reference and assessments for the annual performance management process at best define activities and compliance standards, but do not clearly specify performance expectations – a cornerstone of managing for efficiency.** IFAD's changing environment and business model, with increasing decentralization via country offices, require an appropriate level of devolved authority, ideally based on the "subsidiarity principle." "Performance and accountability contracts" can spell out the institution's

¹⁴⁵ An independent "Compliance Function" addresses compliance risk, being the risk of sanctions, material financial loss, or loss to reputation an organization may suffer as a result of its failure to comply with compliance rules and standards. IFAD has, through AUO, an independent mechanism that is similar to a Compliance Function, but it is not visible in its organizational structure, or on its website, and is not defined as best practice dictates that it should. Additionally, IFAD does not [seem] to have in place a formal Project Complaints Mechanism.

¹⁴⁶ According to the Agreement Establishing IFAD and follow-up resolutions of 1977.

¹⁴⁷ See President's Bulletin, PB/2011/07, 7 December 2011.

performance expectations as a counterpart for the devolution of operational authority and financial resources.

158. **Performance contracts are missing at all levels of IFAD’s managerial hierarchy.** The delegated authority of directors¹⁴⁸ remains narrowly circumscribed, as substantive issues are mostly decided at higher hierarchical levels or in committees. Wide variations in the approaches of regional directors with respect to quality control, portfolio management, country dialogue, knowledge sharing or budget management reflect more their personal preferences than regional specificities. As discussed in section II, CPMs largely operate in a free space of informally delegated authority with insufficient institutional oversight, limited IFAD staff support and limited strategic guidance by the regional directors. The CPM job descriptions are vague regarding accountability; prevailing informal performance expectations are not enforceable. The CLE survey (table 12) shows that only one of six CPMs and one of seven technical staff agree that IFAD’s culture, incentives and HR policies support accountability for achieving results or promoting efficiency. Interviews by the CLE team have also confirmed weak accountability.

Table 12

CLE survey (2011): culture and incentives

<i>Per cent favorable responses (Agree + Strongly agree)</i>	<i>CPM</i>	<i>Technical staff</i>	<i>Non-PMD Mgr</i>
IFAD’s culture, incentives and HR policies promote accountability for achieving results	16%	14%	17%
IFAD’s culture, incentives and HR policies promote efficiency in the way the programmes and services are delivered	14%	14%	50%

Source: CLE survey

159. **Many interviewed senior managers pointed to a recent re-centralization of decision-making in OPV, with particular emphasis on hiring and resource allocation decisions.** In 2012, OPV perceived the need for re-centralization due to weak managerial accountability and line managers’ non-compliance with some existing rules, especially in budget and HR management. The re-centralization is understood as being transitory in character while the issues arising from weak accountability and non-compliance are being resolved. Table 9 shows that the share of OPV budget is the highest at IFAD compared with all comparator organizations.
160. **This changing role of OPV was also assessed against the backdrop of IFAD Management’s reaction to the IEE recommendation to appoint a managing director for a strong central management of IFAD’s change agenda.** At the time, IFAD Management did not agree with this recommendation of the IEE¹⁴⁹ and expressed the view that the “...the intended results would be better achieved by strengthened senior management oversight and direction”. In a related context, the majority of interviewed senior managers indicated that the role of VP, which was clarified and strengthened with the last appointment, had not functioned in practice as intended. Rethinking the role is necessary also in light of the evolution in the size of the organization over the years as well as the current organizational structure, with four departments headed by individuals at the rank of an assistant secretary-general, and five divisions (part of the Corporate Services Support Group) and the Ethics Office “attached” to the Office of the President and Vice-President. In this light, the recently opened vacancy of the VP position presents an opportunity to reconsider the need for this function with an eye to enhancing the

¹⁴⁸ For regional directors, performance standards would typically also include accountability for the quality of their regional portfolios.

¹⁴⁹ This was one of only two recommendations of the IEE, which was not accepted by IFAD Management. The other recommendation which was not supported by IFAD Management pertained to the approval of loans and grants by the President, without involvement of its EB, see IEE, p. 166, 174.

efficiency of executive decision-making and in particular, in light of the recent strengthening of the Senior Management team with newly hired department heads.

Key points

- IFAD's top leadership is championing increased efficiency, which is important to ensure the required momentum of changes that are being deployed.
- The EMC and OMC aim to promote accountability, transparency and coordination in decision-making. Over time, their agendas and participation became overlapping, resulting in duplication of efforts in some cases and limiting efficiency. However, the OMC was reformed in 2012, which should lead to addressing some of the concerns of the past.
- The Vice-President's position can potentially be very useful in IFAD's organizational architecture. The current vacancy in the post offers a timely opportunity to rethink its role and function, taking into account the organization's evolution over the years.
- IFAD's performance and efficiency suffer from weak managerial accountability. In particular: (i) it lacks a clear accountability framework to articulate performance expectations; managers are not held accountable for their units' efficiency and performance; (ii) CPMs operate in a "free space" of informally delegated authority without clear accountability; and (iii) delegation of authority is limited and focused mostly on signing procedures and compliance.

VI. Governing Bodies

161. The section concerns itself with how the Governing Bodies affect IFAD's efficiency. The analysis extends beyond the efficiency of the functioning of the Governing Bodies¹⁵⁰ because their effectiveness is a major determinant of IFAD's organization, strategies, policies and the means it employs to achieve its objectives – hence, of IFAD's efficiency. The Governing Bodies are the Governing Council (GC), the Executive Board (EB or the Board) and by extension, its subsidiary bodies (the Audit and the Evaluation Committee (AC and EC). The role of the List Convenors and Friends (LC) and the triennial Replenishment Consultations (RC) are also addressed. IOE's role in IFAD is highlighted, because it affects the Board's ability to supervise and guide Management. The support to the Governing Bodies provided by SEC and the LEG is also reviewed in this subsection.
162. Much of the material is based on interviews and surveys, as well as review of key documents. Comparison with outcomes of earlier evaluations of IFAD, but also of other IFIs, has been used to establish progress or to point to remaining or new deficiencies and make recommendations for improvement.
163. **One of IFAD's strengths is that the constituent elements of its Governing Bodies, particularly of the Board, do not feel underrepresented.** One does not hear of dissatisfaction with "voice" or representativeness of the Board (and its committees) or with voting power. Aside from a small basic vote, voting power is based on cumulative contributions to the replenishments. On the occasion of replenishments, Member States are free to decide on the size of their contributions. The division of the membership into A, B and C Lists ensures that the three groupings (roughly OECD, OPEC and developing countries) which constituted IFAD from the start are always represented in meetings. The role of constituencies in the A and B Lists is complementary to the List system and consists in regulating alternation between members and alternates or temporary absence from the Board. In the C List, three sub-Lists fulfil a similar role. At the same time, it should be noted that the List structure has entailed a rigidity in Board (and committee) representation by allocating a fixed number of chairs to each List. This would not be

¹⁵⁰ Defined as the time and costs involved in the preparation and conduct of governing bodies meetings including IFAD Management and staff time involved in the writing of governing body documents, costs for translation and distribution of documents, interpretation and meeting attendance costs.

a problem if the relative contributions of the Lists to replenishments had remained steady. However, the contribution of the B List has declined severely over time and that of the C List has strongly increased. While perhaps not of acute urgency, this issue should not be neglected.

164. **The Governing Council, as the supreme governing body, has a role in improving efficiency.** It meets once a year in Rome, with the participation of governors from all IFAD Member States. This is similar to the practice in other IFIs. The Agreement Establishing IFAD charges the Governing Council with a number of important tasks, including approval of the organization's annual administrative budget, election of the IFAD President (every four years), and adoption of the replenishment resolutions. The Governing Council provides Member States with the opportunity to interact, meet with IFAD staff and Management, and gain a close insight into the organization and its work.
165. At the same time, the Governing Council has not been the platform at which major debates have taken place. An exception is the election of the President. The discussions leading to the approval of the annual budget or the replenishment resolution have been fully prepared in the Executive Board and the Replenishment Consultations respectively.
166. The format of the Governing Council has evolved over the years, with more attention and space given to the organization of panel discussions and side events on key topics related to global agriculture and rural development. This is appreciated by many Member States, but reduces time for governance issues and related business items
167. A majority of respondents to the survey of Executive Board members agreed or partially agreed that the above-mentioned approval of the annual budget could be delegated to the Board and that GC meetings could be held every two years (the election cycle of the President and the triennial Replenishment cycle needing to be taken into account).
168. **IFAD has never suffered from a backlash of its membership against purported ineffectiveness.** Replenishments have been of adequate size for IFAD's agenda and have not compared unfavorably with those of the IFI concessional funds. In spite of not being a large or conspicuous organization, IFAD appears to have operated broadly to the satisfaction of its membership.
169. **The Replenishment Consultations (RC) have been a prime source of priority setting for strategic change and policy direction on the part of the membership.** A topical example is the introduction of the CRA at the instigation of the Eighth Replenishment, with its strong focus on efficiency improvement, now taken over in IFAD9. This role of the RCs is valuable and makes up for some inherent weaknesses of the IFAD governance structure (see below). Indeed, for many Board members, an impending RC provides them with the opportunity to share their views and to interact with country authorities on IFAD issues, based in part also on Management's input. Despite this major role, IFAD has at times been confronted by unanticipated policy demands in the RCs. Under IFAD8 this resulted in a heavy burden of demands for reform and change. IFAD's use of an independent chair and the emphasis on consolidation made the issue moot under the IFAD9. The innovation of using an independent chair for IFAD9 proved to enhance the efficiency of the overall process, as it also allowed the President (who chaired all previous sessions) to focus on articulating IFAD priorities for the replenishment period. The preparation of the first midterm review (of IFAD8 presented to IFAD9) was also an important task undertaken by the Management to facilitate discussions in the Replenishment.
170. **The low frequency of Board meetings has helped to keep them focused.** Meetings are well organized, current chairmanship is strong and Board members

tend to be disciplined in their use of time. The Board survey expresses satisfaction on the whole with present procedures; a majority is of the opinion that these allow members to fulfil their oversight and guidance duties satisfactorily. Nonetheless, complaints have been voiced over the years about overloading of the agenda, number and length of documents and lateness of document delivery.¹⁵¹ Board and committee effectiveness suffer from this inefficiency, which in some measure lies outside the control of SEC. The length of meetings varies, depending on the agenda, between two and three days. In recent years, the agendas have been structured carefully, the documentation tends to be quite clear and members do not usually speak at inordinate length. However, there are still items on the agenda that in principle could be delegated to the President, particularly the approval of loans and grants. After the introduction in 2011 of lapse-of-time approval for loans below US\$15 million, recently raised to US\$25 million, about 60 per cent of them are still scheduled for discussion. The survey of EB members showed that a large majority do not favour cutting back on this item or delegating it fully to the President (annex IX). However the fact remains that there is relatively little space for discussion on results, policy and strategy, evaluation and lessons learned, as compared to the amount of discussion on process and input-oriented documents. The need to concentrate on major issues in the scarce time available should give the Board pause for thought.¹⁵² The complaints mentioned above about lateness and length of Board and committee documents are shared by SEC itself and are now receiving serious attention.

171. **The non-residence of the Board and the fact that Member States rather than individuals with fixed-term appointments are members may explain the absence of qualification guidelines and a Code of Conduct for representatives of Member States in the Board.** While the heterogeneity of the Board must be accepted, a job description or broad qualification guidelines could be helpful to Member States in selecting their representatives and improve the available expertise in the Board.¹⁵³ On the occasion of a necessary amendment to the Agreement, the Governing Council may wish to make up for the absence of guidelines.
172. **Basic governance standards demand a Code of Conduct for Board members as an integrity requirement and such a Code is a normal feature for an IFI.**¹⁵⁴ Particular importance is attached by Management and a number of Board members to the introduction of a cooling-off period. For example, there have been instances of pressure to appoint sitting members to staff and management positions in IFAD, including in IOE. This contravenes the separation of powers needed for the supervisory role of the Board. The issue of a Code of Conduct has been around for a number of years. A code should at least rule on conflict of interest, acceptance and granting of gifts, and a cooling-off period.
173. **The Board suffers from weaknesses that are inherent in non-residence, IFAD's hybrid nature as both an IFI and a United Nations organization, and the fact that it works in a politically inconspicuous niche.** The result has been a heterogeneous Board composition and a membership not always at senior levels, with dispersed duties and an inability to give the necessary degree of priority to IFAD. Also, the size of the Board is considerable, with 18 directors and 18 alternates, all with speaking rights. The role of IOE helps to make up for some of the weakness. So do the RCs. A strength of the Board is that it largely steers clear

¹⁵¹ The client surveys conducted by SEC in 2010 and 2011 confirmed the lateness problem, which worsened over the latter year.

¹⁵² The United States is required under domestic legislation to vote against or abstain on loans to certain Member States. Loans to such states could be dealt with under a regime of full delegation to the President by a commitment on his part to put them on the Board's agenda on a lapse-of-time basis.

¹⁵³ It is noteworthy in this respect that the Agreement Establishing IFAD does not contain the type of provision found in the charters of other IFIs stating that "Directors shall be persons of high competence in economic and financial matters".

¹⁵⁴ As an illustration, see <http://www.ebrd.com/downloads/integrity/COCboard.pdf>.

of micro-management, which tends to be a drawback of resident boards. Nonetheless, the Board and the committees should guard against devoting too much time to procedural issues. IFAD has an informal mechanism for ensuring continuity of dialogue among Member States and Management between Board meetings in the form of the List Convenors and Friends. They meet informally with the President in advance of each Board meeting and discuss the draft agenda as well as major issues that may arise at the meeting. They also, as the name indicates, convene their List if they see a need for separate discussion of an issue with the other List members. While the informality is an asset, it may be worth considering establishing a practice of documenting decisions in the minutes of their meetings to provide transparency to the process as well as improve flow of communication and information, as is done by the other subsidiary bodies of the Board. At times the anomaly arises that a committee chairperson, based in Rome, is not the formal appointee of his country to the Board. In that case, the limitation of access to Board meetings to the appointee precludes the chairperson from attending. A practical solution would be to grant committee chairs ex officio access.

174. **Committee preparation in support of the Board, as in all the IFIs, proves to be essential to the Board's ability to deal with strategic and policy issues and carry out its fiduciary duties.** The existing advisory committees, the Evaluation Committee (EC) and the Audit Committee (AC), play a useful role in this respect (strongly confirmed by the survey). The Committees do not have decision-making authority, as they are advisory organs of the Board. There are opportunities to strengthen the role of the AC in IFAD. Present-day audit committees of companies and financial organizations, including the IFIs, require expertise on controls and risk management among their membership. Recent professionalization and reform of the financial management of IFAD have raised the level at which financial issues need to be discussed. The experience in the business sector is that benefits can be gained from attracting outsiders with the requisite background as members of or advisors to ACs. The 2009 TOR of the AC only allow it to bring in external expertise in exceptional circumstances subject to budgetary space. An amendment to the TOR would be needed to make the presence of outside advice the norm for those meetings in which the AC's oversight of financial issues is at stake.
175. The EC plays a critical role in reviewing results and lessons from independent evaluations, and advising the Board on actions to strengthen IFAD's development effectiveness. The constructive interaction between PMD and IOE provides the Committee with much of the input it needs to assess strategic issues. All EC documents are made publicly available through the IFAD website, which is not the case for the AC. This might be worth considering towards strengthening transparency and accountability.
176. **The interaction of IOE with Management, particularly since the strong confirmation by the Board after the ECG peer review in 2010 of IOE's independence within IFAD in line with good practice in the IFIs, has been constructive and has helped the Board to firm its grip on issues of development effectiveness.** Changes in IOE's ambit with a heavier concentration on corporate- and country-level evaluations and in the EC's terms of reference have contributed strongly to the relevance of evaluation findings to the Board's supervisory duties. All recognize that IFAD's development effectiveness can further improve and that Management and IOE together need to create the structure and incentives for IFAD to evolve into an effective learning organization. This is a precondition for effective scaling-up. The Board should stimulate the process as much as possible.
177. **The rapidly evolving demands on Governing Body members for strategic guidance and oversight of IFAD's changing business model are not yet receiving adequate attention from Board members and Management itself.**

A tendency to focus on inputs rather than outcomes was already noted in the IEE. There is an imperative need for high quality as a springboard for replication and scaling-up. The consistent tracking of results, efficiency improvements and attributable impact, the implications of IFAD's DSIS, and decentralization, require further effort from Board members. The scope, quality and timeliness of its reporting to the Board are a major determinant of the Board's ability to fulfil its supervisory duties adequately and hold Management accountable. Committee discussion must focus on what matters and chairpersons' reports to the Board on the recommendations of the Board and on what requires further discussion.

Key points

- The overall architecture of the Governing Bodies, though complex, works.
- The Governing Council is an important platform allowing Member States to interact. The format of the Council has evolved over the years to include discussions on thematic issues of interest, which is appreciated. This however is reducing space for addressing governance related matters.
- Given the nature and function of the Governing Council, and as a means to reduce institutional direct and in-direct costs, the possibility of holding the Governing Council less frequently merits consideration. This will however require IFAD Governors to delegate their authority in key areas to the Board (e.g. approval of the annual administrative budget).
- The Replenishment Consultations have traditionally been the platform where major policy and strategic decision and direction are determined. The appointment of an independent chair for IFAD9 improved efficiency of the process. The conduct of the first midterm review (of IFAD8) provided a sound basis for discussions in IFAD9.
- The non-resident nature and heterogeneity of members are positive characteristics of IFAD's Executive Board. The Board agendas are generally crowded, with too much discussion on items related to process and inputs, and less on strategy, policy, results, lessons and evaluations. The Board could reduce overload by utilizing opportunities for delegation.
- The absence of a code of conduct for Board members might compromise the integrity of its strategic and oversight role. The lack of broad guidelines for the required qualifications and overall profile of Board members also constrains efficiency and effectiveness.
- The role of the existing advisory committees, the EC and the AC, is essential for the Board's preparation; AC effectiveness could be further enhanced by inviting an outside adviser to its meetings. The open debate between IOE and IFAD Management in the EC is important to enable members to better understand key issues and lessons of priority to organization. The reports by the chairpersons to the Board do not sufficiently identify recommendations and unresolved issues.
- The independence of IOE and its sharper mandate (pursuant to the approval of the revised Evaluation Policy in 2011) set the stage for an improved learning performance by IFAD, which is a condition for achieving quality improvement and scaling-up.
- The List Conveners and Friends mechanism is useful to promote constant dialogue between Member States and IFAD Management. However, its informal character might be limiting efficiency and flow of information and communication across all members.
- There are efficiency implications for dividing IFAD Member States into three Lists (A, B and C), in line with the Agreement Establishing IFAD. The relevance of the List system in today's context deserves discussion in the future, taking into account the evolution in profile of IFAD Member States in the last 35 years.

VII. Indicators to assess project and institutional efficiency

178. The evaluation also reviewed the indicators used in IFAD to assess both project and institutional efficiency.
179. **The evaluation finds that the definition and indicators adopted by IFAD for assessing project efficiency are consistent with the 2012 Good Practice Standards of the Evaluation Cooperation Group of the Multilateral Development Banks for Public Sector Evaluations.** IOE has adopted the OECD/DAC definition for efficiency, and the IOE Evaluation Manual contains a series of questions (indicators) that each evaluation follows to assess and rate project efficiency. Moreover, in light of the harmonization agreement signed by IOE and IFAD Management to align the independent and self-evaluation systems in IFAD, Management also adopts the same indicators to assess project efficiency.
180. **However, there are opportunities to better apply the indicators in both independent and self-evaluations to gain an even more accurate understanding of performance at the project level.** An important challenge for better assessing project efficiency is the limited availability of baseline data, as well as data on outcomes and impacts captured by project level M&E systems. This constrains evaluations in calculating economic rates of return at project completion. Therefore, the main constraint in assessing project efficiency is not the quality of indicators adopted by IFAD, but rather the application of methods and lack of readily available data for independent and self-evaluation to rely on.
181. **Institutional efficiency was explicitly reflected in the Board's decision in 2005 to introduce an institutional efficiency ratio** – the percentage of IFAD's annual administrative budget in relation to the US dollar value of its programme of work of loans and grants. It was decided that this percentage should not exceed 17.1 per cent, and IFAD was required to work towards reducing the ratio over time with a target of 13.5 per cent by 2012. The efficiency ratio in 2012 was 11 per cent, which is well within the target established by the Board.
182. **Management made a number of commitments during the Consultation on the Ninth Replenishment of IFAD's Resources in 2011 to improve IFAD's institutional efficiency.** Furthermore, new outcome and reach indicators and targets for operational and institutional efficiency have been included in the Results Measurement Framework 2013-2015¹⁵⁵ in order to support enhanced performance and to enable more comprehensive reporting on progress and achievements.
183. **There are three issues the efficiency evaluation raises with regard to the efficiency and other indicators in the Results Measurement Framework for the Ninth Replenishment period, approved by the Governing Council in February 2012.** First, project completion reports prepared by Governments are rated by PMD across all evaluation criteria (including efficiency) covered therein. The project completion reports are the main source of data used for reporting against the eleven outcome indicators (e.g. relevance, effectiveness, efficiency, etc.) in Level 2 (IFAD's contribution to development outcomes and impact) of the Results Measurement Framework. This could raise doubts about the objectivity and credibility of reporting, given that the same entity responsible for project design and implementation support (i.e. PMD) is also responsible for rating the final performance of IFAD-supported projects. In fact, in other IFIs, it is normal practice for data from their independent evaluation units to be used for reporting against the Results Measurement Framework, to the extent possible.
184. Second, policy dialogue, partnership building and KM are integral dimensions of IFAD's non-lending activities and should all be covered in the Level 4 (operational

¹⁵⁵ <https://webapps.ifad.org/members/gc/35/docs/GC-35-L-4.pdf> - see annex II.

effectiveness of country programmes and projects) indicators, which is not the case at present. Moreover, client surveys are the main source of information for assessing performance against these indicators, which have limitations as response rates are variable and unpredictable and the underlying processes and methods in the production of client feedback are not known. Assuring systematic reporting on COSOP implementation on an annual basis, and the introduction of COSOP completion reviews, as per current guidelines should be a priority to help overcome this gap.

185. Thirdly, IFAD's RMF indicators could benefit from a stronger impact and outcome orientation, reflecting IFAD's specificity of its mandate (for example on Level 1) and from a clearer articulation as efficiency indicators, which would also facilitate benchmarking. Building upon the proposals put forward by Management as part of the Ninth Replenishment Consultations, the suggested set of efficiency indicators for use by the Governing bodies and Senior Management are proposed in box 1.
186. **Towards an enhanced framework of efficiency indicators.** The following box lays out a set of 12 suggested efficiency indicators, which reflect many of the reasoning and recommendations of this CLEE. The major differences to the existing set of indicators, which has been approved for IFAD9, can be summarized as follows:
- Stronger ongoing emphasis on IFAD outcome and impact (indicator I);
 - Consistent tracking of the difference between expected and actual results; the more IFAD moves along the results chain from inputs to outputs and outcomes, the more relevant this difference will become for learning and risk management purposes (various indicators);
 - Addition of indicator measuring scaling-up results (indicator III);
 - Recasting programme efficiency (indicator V) through establishment of a closer linkage of the weighted outputs as cost drivers of IFAD's work programme, rather than the committed US\$-volume;
 - Measuring unit costs (indicator VI), a needed basic accounting instrument to enable IFAD managers to track the efficiency of delivering their work programmes, which requires, however, introduction of a time-recording system;
 - Shifting IFAD's incentives (per indicator VII) from commitments to implementation;
 - Raising the bar for the quality of IFAD projects (indicator VIII);
 - Country presence indicator to reflect the increasingly more important contribution of country offices to IFAD's work programme (indicator IX);
 - Tracking budget shares of the various clusters (indicator X); and
 - Addition of a department-specific efficiency indicator for all O&S departments, best suited to reflect the respective department's efficiency improvements (indicator XII).

Box 1
Efficiency indicators

The efficiency ratio currently monitored by the Board – the ratio of administrative budget to POLG – is an ex ante indicator of IFAD's output efficiency, where output is measured by POLG (US\$ value). The RMF includes other potential indicators. Management's commitment in the Ninth Replenishment to develop efficiency indicators provides a promising starting point to develop and implement a broader framework for managing efficiency. The list below builds on the proposals therein and is limited to a similar, small number of indicators directed to supporting effective oversight by the Board in this area. It extends the focus to higher levels of efficiency and to current and ex post measures. The criteria for selection of these indicators include, importantly: instrumentality in driving behaviour and performance; and responsiveness to management action in a reasonable timeframe – without being too volatile.

Indicators of efficiency at different levels

Indicator	Definition	Explanation/Remarks
I. Impact Efficiency	POW/number of rural poor moved out of poverty	Ex ante , based on rolling cohort of 50 most recently approved projects Ex post indicator could be added in time Based on RMF 2.3.1
II. Reach efficiency	Disbursement/number of rural poor reached	Ex post
III. Country programme outcome efficiency - overall	Percent of COSOPs rated satisfactory or better Based on RMF 4.1.1	Ex ante from COSOP at entry, Current from COSOP Status Reports (new), ex post from CPEs
IV. Country programme outcome efficiency - scaling up	Percent of COSOPs rated satisfactory or better with respect to scaling up	New, ex ante, current and ex post as above
V. Partnership efficiency/ cofinancing efficiency	Cofinancing ratio	RMF 4.6.1
VI. Institutional efficiency	Ratio of administrative expenditure (including from fees) to a 'weighted' number of programme outputs	New, based on the fact that costs relate more to number of outputs than to related US\$ value
VII. Institutional efficiency II	Ratio of administrative expenditure (including from fees) to POLG augmented by the value of programmes and projects managed by IFAD but funded by others	RMF 5.4.5, ex ante based on plan and budget and ex post based on actuals
VIII. Unit direct costs of programme outputs	Cost/output for each output category in course of year	Ex ante based on plan and budget, ex post based on actual; needs TRS to be in place
IX. IFAD performance	Percent of Projects for which IFAD performance is rated satisfactory or better	Ex ante QAE, Current from PSR/ARPP, Ex post from ARRI
X. Country presence (ICO) efficiency	Ratio of percent contribution of ICOs to PMD output to percent PMD budget allocated to ICOs	
XI. Share of budget to each cluster		RMF 5.4.2, ex ante based on Plan and budget and ex post based on actual expenditures
XII. Ratio of actual GS costs to total staff costs		RMF 5.4.8

It would be highly desirable to strengthen further outcome, impact and scaled-up impact evidence as the basis for efficiency indicators at these levels. The CLE recognizes that further preparatory work is needed to move in that direction. The commitment under the Ninth Replenishment to carry out Impact assessments is a step in that direction.

VIII. Conclusions and recommendations

A. Conclusions

187. IFAD is an organization with a focused mandate to promote rural poverty reduction. Its role, contributions and trademark participatory approaches are particularly appreciated by recipient governments, the rural poor and other partners at the country level. The Fund fills an important space in the galaxy of multilateral and bilateral development organizations, and has the potential to become a true centre of excellence for smallholder agricultural development.
188. Given its relatively small size as compared to other multilateral development banks and its specialized mandate, it is difficult for the organization to benefit from lower output costs through economies of scale, and thereby enhance its output efficiency. However, this evaluation believes there are important opportunities for IFAD to further enhance both its programme and institutional efficiencies by making additional improvements to its operations, delivery model and internal processes.
189. Scaling-up successful IFAD-funded programmes through their adoption by partner institutions (including governments) is vital to IFAD making a meaningful contribution towards alleviating rural poverty, hunger and malnutrition across the globe. But attracting partner resources for scaling-up requires that IFAD produce successful, high quality, and sustainable programmes, with demonstrated impact. IFAD-supported projects today are predominantly “moderately satisfactory”; IFAD must therefore raise the bar to deliver more projects that are “satisfactory” or “highly satisfactory.” This will mean *inter alia* IFAD taking on board more risks through innovative pilot projects with the attendant implication that the overall success rate may even come down.
190. At the heart of achieving scaled-up impact is the need to develop an institution-wide culture of accountability for performance, well beyond the delivery of activities and outputs. IFAD has made a number of changes recently in the direction of improved accountability, such as the preparation of the Medium-term Plan. However, it needs to move further away from a culture that emphasizes review and compliance to a new culture that sets realistic objectives and targets, pays more attention to results measurement and evaluation, and provides the required incentives to good performance while simultaneously introducing more stringent measures and sanctions for addressing poor performance.
191. This CLE includes ten main messages. They highlight the fact that cost containment across the board is not how the serious efficiency challenge faced by IFAD will be met. Judicious investments in technology, systematic redeployment of administrative resources towards high return areas, an enhanced skill mix, increased selectivity in operations, substantive delegation of responsibility and above all cultural change focused on excellence and strategic partnerships hold the key to improved IFAD efficiency:
- (i) **Project quality: noteworthy improvements but project efficiency lags.** There have been improvements in project performance since the IEE, and data suggests that the performance of IFAD-funded projects is better than the agriculture sector operations of the AsDB and AfDB and broadly on par with the World Bank. However, project efficiency continues to remain amongst the weakest performing of all evaluation criteria. Complex project designs, especially in relation to country capacities, insufficient financial and economic analysis, and limited funding for design constrain project readiness and efficiency.
 - (ii) **IFAD is appreciated for its flexibility and participatory approaches, but more focus is needed on the operational portfolio.** IFAD is recognized as being highly responsive to the needs of the rural poor and recipient governments, which is a distinguishing characteristic of the

organization. But its operations are spread too thin, across a wide range of subsectors and themes covering a large number of results areas. This is exacerbated by inadequate customization of its support programmes across different countries. Limited focus and country differentiation in IFAD-supported programmes make it difficult for IFAD to build the critical mass of expertise and skills needed to deliver high-quality client services in a cost-effective manner and are affecting both its project and institutional efficiency. The out-posting of CPMs is essential, but has been slow and a consolidated vision for organizational decentralization in the broader sense has yet to be articulated.

- (iii) **Significant adjustments have been made to the operating model.** Over the years IFAD has made significant adjustments to its operating model, such as direct supervision and implementation support, country presence, and the introduction of an arms-length QA system. They are all critical to enhance effectiveness but they (as well as other measures still required to enhance the quality of partnerships and the technical soundness, innovation and creativity of IFAD operations) come at a cost that needs to be offset by increased strategic, thematic, country and instrument selectivity.
- (iv) **Staffing is not yet sufficiently aligned to the changing business model.** IFAD's technical staff expertise within the Policy and Technical Advisory Division is too limited to allow participation in and support to key design and supervision missions, and relative to the skills and competencies in operations that are essential to fulfil the organization's new business model and evolving priorities, especially in key areas, such as for example, agronomy, private sector engagement, and policy dialogue for scaling up.
- (v) **Corporate business processes need to adapt to decentralization.** There is a close link between IFAD's institutional efficiency and project efficiency. The Change and Reform Agenda introduced in 2009 aims to make IFAD a more agile, efficient and effective organization. However, heavy corporate business processes characterized by stringent ex ante controls, such as for loan disbursements and human resources management (including consultants management), and an insufficient information and communication system are factors affecting IFAD's total efficiency. The adjustments needed to corporate business processes and IFAD's operating model to adapt to a decentralized organizational architecture have not yet received sufficient attention.
- (vi) **Managers and staff need a consistent and manageable framework for accountability for results.** Attention is being devoted to developing a platform for managing for development results, and improved budget management and reporting. A framework for results-based management and self-evaluation system is being put in place. However, the results framework is complex and different layers in the framework are not adequately aligned to facilitate aggregation and reporting. Progress against key indicators is assessed and reported based on IFAD's self-evaluation data without independent validation by IOE. Similarly, primary reliance on client surveys for reporting on selected indicators might not be credible and the efficiency focus of the indicators needs strengthening.
- (vii) **Budget management and processes have been tightened in recent years, though there is room for further enhancement.** Budget preparation, execution, monitoring and reporting are being strengthened and made more transparent, though the budget function is not adequately staffed to enable it to play a wider role in strategic planning, priority setting and internal resource allocation. Managers at the divisional and departmental levels are not sufficiently held accountable for results and budget management, partly due to unsystematic access to timely and comprehensive

data and information for mid-course corrective actions, but most importantly, due to the missing components of a consistent accountability framework for managers and staff.

- (viii) **IFAD needs to work with implementing governments to address areas of weak government performance.** Government capacities and overall performance in the agriculture and rural sectors are one of the single most determining factors that impinge on the efficiency of IFAD-supported activities. Government performance under IFAD projects has not shown improvements for around a decade, and major challenges remain, especially at the lower administrative levels. IFAD has not addressed this problem head on. Areas where IFAD could support governments are: strengthening capacity for project design and project completion report preparation; and monitoring and evaluation.
- (ix) **Management of staff needs to be better aligned to IFAD's current needs.** IFAD is paying increasingly serious attention in recent years to HR reform, and good progress is being made in a number of areas. However, it faces several challenges in the area of people management: (i) overreliance on consultants for technical skills needed to operate the new business model, and the concomitant lack of comparable in-house technical skills in programmes and projects; (ii) limited attention to leveraging the expanding numbers of staff in the field and substituting field-based staff for Rome-based staff; (iii) high costs of staff due to skewed grade mix and high proportion of GS staff; (iv) inadequate attention to the skills required for CPMs to fulfil their changed role; and (v) a risk-averse approach to performance management. A critical challenge is the need for an accountability framework with clear, substantive delegation of authority.
- (x) **There is scope for further efficiency gains in the IFAD Governing Bodies.** In general, IFAD's governing bodies architecture is effective, and recent measures approved by the Board are on track to cut costs and enhance efficiency. The Governing Council provides a useful platform for discussion on contemporary agricultural issues, though the balance between governance and discussion of agricultural issues needs reflection. Keeping in mind the objective to further reduce costs and overall organizational effectiveness, the need to hold the Governing Council every year is questionable. The Board is generally well supported by its subsidiary bodies, but the Board's agenda is crowded and not sufficiently focused on discussing policies, results, lessons and evaluations. The lack of a code of conduct for Board members exposes the organization to reputational risks and needs attention. There are opportunities to achieve further efficiency gains in the functioning of the Board, while ensuring it satisfactorily fulfils its critical oversight and policy and strategy formulation role.

B. Recommendations

192. The CLE on efficiency includes one overarching objective and seven recommendations that support the achievement of the overarching objective. In line with good international evaluation practice, the evaluation recommendations will need to be translated into more detailed action items by IFAD Management, possibly in the form of a time-bound plan with specific activities and deadlines. In this regard, IOE is cognizant of the fact that IFAD Management has adopted a number of key commitments, including to increase "IFAD's institutional effectiveness and efficiency" as part of the Improvement Agenda in the framework of IFAD9.¹⁵⁶ Therefore, it is suggested that these commitments and the evaluation's recommendations (after consideration by Management) be combined into one

¹⁵⁶ See for example, annex 1 in document GC 35/L.4, Report of the Consultation on the Ninth Replenishment of IFAD's Resources.

overarching, consolidated IFAD Action Plan that serves as the main reference document to improve institutional efficiency moving forward. The Board may be invited to approve the consolidated Action Plan before its implementation is launched to ensure all evaluation recommendations have been properly and fully addressed therein.

193. It is also proposed that the implementation of the evaluation's recommendations through the Action Plan be monitored and reported annually in the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), starting from its 2014 edition. This would eliminate the need for a separate progress report to the Board on the implementation of the Action Plan.
194. **Overarching objective: Raise the bar for IFAD's own performance as a partner to promote scaled-up impact for IFAD-supported programmes.** Achieving scaled up impact is the path to long-term impact efficiency. IFAD should strive to deliver consistently high quality service to its clients and achieve satisfactory or highly satisfactory evaluation ratings for IFAD's own performance. This objective is supported by the following recommendations:
195. **Recommendation 1: Scaling up of high impact, innovative approaches emerging out of IFAD-supported projects and programmes should become the objective of IFAD's business model.** To this end, IFAD should sharpen its thematic/subsectoral focus through greater selectivity and complement its traditional focus on projects with greater attention to KM, partnership building and policy dialogue with projects to achieve scaling up. Moreover, IFAD should better align its country programmes and corresponding budgets with the differing country contexts and requirements, and tighten its project preparation processes with greater attention to financial, efficiency and sustainability aspects and economic and institutional analysis. The grants programme should also be repositioned to include, inter alia, support to governments for enhancing their capacity for project preparation and implementation. IFAD should add to the pool of in-house technical expertise in PMD to enable it to provide greater field inputs by staff to operations, strengthen team leadership with CPMs normally leading all major operational missions, and introduce mechanisms to balance better the workload across CPMs.
196. **Recommendation 2: Articulate and implement a clear vision for country presence and how IFAD would operate in a decentralized environment.** A vision for the future management of IFAD should be developed that recognizes that the outposting of CPMs will lead to increased decision-making in the concerned countries. The vision should address the relationships between headquarters and country offices, the accountabilities of CPMs, country programme officers and regional directors for operations, and the challenge of the flow of knowledge across country and regional divisions in a decentralized environment. It should also include an integrated review of the processes for ensuring quality, starting with the composition of teams for project preparation, and direct supervision and implementation support. IFAD should also make a realistic projection of the cost of IFAD country offices and pursue opportunities for making countervailing savings at headquarters.
197. **Recommendation 3: Manage oversight and support units, including critical ICT functions, with a clear focus on increasing service quality and cost efficiency.** The O&S units are important enablers for IFAD's overall efficiency because the processes under their purview have wide ramifications for the effectiveness of all IFAD units who use their services. Management should therefore develop and implement a clearly articulated strategy that focuses on the quality and cost efficiency of O&S, which would ensure a more efficient outcome for the organization and not necessarily the cheapest level of O&S service. Actions are needed to reform corporate business processes, reduce staff costs and increase

- managerial accountability for efficiency improvements. Additional resources will be required for major capital investments in the ICT function in line with the strategy.
198. **Recommendation 4: Better manage scarce budgetary resources towards high-quality results.** Allocation of budgets should be more clearly guided by the Strategic Framework 2011-2015 and Results Measurement Framework, and by using the Medium-term Plan to provide specific guidance on strategic selectivity. The actual results achieved as reported through the ARRI and RIDE, and the different country contexts should be two further aspects informing budget allocations across regional divisions and country programmes. This strategic budgeting process will require greater autonomy of budget management and accountability for results at the departmental and divisional levels; modern budget information systems (including time recording and cost accounting) and augmented capacity in the central budget function. In this regard, the budget function should be headed by a staff member at the director level, who should be supported by additional senior staff. The recent practice of conducting rigorous periodic budget monitoring and reporting and reallocations as needed during the year should be continued.
199. **Recommendation 5: Manage strategically the skills composition, cost and performance of the workforce.** IFAD should manage the workforce composition within the framework of a clear and comprehensive process for strategic workforce planning driven by the changing nature of IFAD's approach to its client services. Specifically, IFAD should add technical expertise in PMD (see Recommendation 1), and make the consultant hiring process more rigorous for ensuring higher quality consultants. The staff cost structure should be adapted over time using the opportunity offered by natural attrition to provide the needed budget flexibility. Critically, a strong performance management culture should be instilled.
200. **Recommendation 6: Focus oversight by Governing Bodies on key strategic issues.** The Governing Council should consider delegating approval of IFAD's administrative budget, including that of IOE, to the Board, and not holding its meetings annually. The Board could lighten its agenda by delegating approval of all loans and grants to the President, which would enable it to devote more attention to discussing on policies and strategies, results, lessons and evaluations. To confirm the integrity of IFAD's governance framework, a code of conduct for the Board should be introduced, in line with the other IFIs. Broad terms of reference for Board members should also be developed, to assist Member States in designating their Board representatives to IFAD. The Audit Committee should consider attracting outside professional expertise for major items on the agenda regarding financial oversight, controls and risks. Selected documents of the Audit Committee should also be publicly disclosed.
201. **Recommendation 7: Instill an institutional culture of accountability and performance and strengthen the reporting for results.** A stronger culture of accountability is needed as the critical enabler for superior performance at all levels. Actions needed for this purpose include: more substantial delegation of authority in operational, administrative and financial matters to line managers; and accountability and performance "contracts" with clear performance expectations for managers and staff. IFAD should further examine the issue of a visible compliance function. IFAD9 Results Measurement Framework also needs to be strengthened further and guided by the following principles: (i) increase the specificity and robustness of impact and reach indicators including meaningful monitoring of the target of moving 80 million people out of poverty by 2015; (ii) incorporate a scaling-up indicator for country programmes supported by coverage of key non-lending activities (policy dialogue, partnership building, the grants programme and KM); (iii) sharpen the measures for IFAD's institutional efficiency including measures related to number of outputs; (iv) measure the contribution of IFAD's country offices to its work programme; (v) report consistently on actuals against

baselines and planned results and use variances for learning; and (vi) use IOE data where available as the basis for ex post analysis and reporting. More details of the recommended changes to the results measurement framework may be found in box 1 of the main report.

C. Concluding thoughts

202. Not all of the recommendations above are individually budget-neutral. Some recommendations involve staffing and organizational changes and some imply additional resources. However, CLE estimates suggest that with a new focus on operational selectivity, there is sufficient budget flexibility (especially if a capital budget is introduced to fund lumpy ICT investments needed to improve long-term administrative efficiency) so that even in a flat-budget scenario, there is room for efficiency gains and reallocations that would allow implementation to start in the current replenishment period. This would require IFAD to exploit strategically the opportunities arising from natural attrition and encouragement of early retirement and to avoid duplications of functions and staffing between country offices and HQ. At the same time, the potential impact of budgetary constraints on IFAD's efficiency, in particular on the efficiency of programmes and programme management are important. IFAD's Management and the Board will need to take account of the underlying trade-offs and ensure that short-term cost savings do not lead to long-term losses in impact and efficiency.

List of persons met

IFAD bilateral meetings

1. Sunil Abishaikh, Consultant for LGS Administration, ICT
2. Richard Aiello, Organizational Change, Learning and Development Team Leader, HRD
3. Brian Baldwin, Senior Operations Management Adviser, PMD
4. Mohamed Beavogui, Director, PRM
5. Willem Bettink, Programme and Change Officer, PMD
6. Tiziana Carpenelli and staff, Travel Manager, ADM
7. Paolo Ciocca, former Secretary of IFAD, IFAD
8. Kevin Cleaver, Associate Vice-President, Programmes, PMD
9. Bambis Constantinides, Director, AUO
10. Eloisa de Villalobos, Technical Adviser, PTA
11. Ides de Willebois, Director, WCA
12. Elizabeth Famosi, former Operations Adviser, PMD
13. Ruth Farrant, Director and Controller, CFS
14. Charles Forrest, former Counsel, LEG
15. Edward Gallagher, Budget Officer, OPV
16. Michael Gehringer, Director, HRD
17. Prisca Giordani, Records Management Officer, ADM
18. Michael Goon, former interim Head of Corporate Services, CSD
19. Olivia Graham, Ethics Officer
20. Elwyn Grainger-Jones, Director, Environment and Climate Division
21. Kris Hamel, Programme Officer, SKM
22. David Hartcher, Business Analyst, CFS
23. Edward Heinemann, Senior Policy Advisor, PTA
24. Gary Howe, Director, Strategic Planning Division, SPD
25. Sirpa Jarvenpaa, former Director, OPV
26. Etienne Kaisin, former Regional Portfolio Adviser, Head of ESA Regional Office, Nairobi
27. Iain Kellet, Associate Vice-President, FOD
28. Shyam Khadka, Senior Portfolio Manager, PMD
29. Henock Kifle, Senior Adviser to President, OPV
30. Paula Kim, Special Adviser to Head, CSD
31. Justin Kouka, former Special Adviser to the VP
32. Janet Kyle, IFAD Job Audit Consultant
33. Luciano Lavizzari, former Director, IOE
34. Sara Di Legami, Travel Department, ADM
35. Rutsel Martha, General Counsel, LEG
36. Sylvie Martin, Assistant to the General Counsel, LEG
37. Shantanu Mathur, Head of Management Support Unit, SKM
38. Andreina Mauro, Manager Conference Service, SEC
39. Deirdre McGrenra, Head, Governing Bodies Office, SEC
40. Matthias Meyerhans, Director, ADM
41. Madiodio Niasse, Director, International Land Coalition
42. David Nolan, Facilities Management Officer, ADM, and former chair of the Executive Committee of the IFAD Staff Association (ECSA)
43. Kanayo F. Nwanze, President
44. Yukiko Omura, former Vice-President
45. Luis Ortiz, Archives Assistant, ADM
46. Linda Orebi, Budget and HRD Data Team Leader
47. Mattia Prayer-Galletti, Senior Evaluation Officer, IOE
48. Thomas Rath, CPM, Asia and the Pacific Division
49. Theresa Rice, Operational Systems Adviser, PMD, former member of the Executive Committee of the IFAD Staff Association (ECSA)
50. Roxanne Samii, Manager, Web, Knowledge and Distribution Services, COM

51. Tilak Sen, IFAD Budget Adviser (consultant)
52. Carlos Seré, Associate Vice-President, SKM
53. Chief Development Strategist and Head of SKM
54. Cheikh Sourang, Senior Programme Manager, SKM
55. Jose Stigliano, Director, ICT
56. Josephina Stubbs, Director, LAC
57. Marlene Thorn, HR consultant , HRD
58. Ursula Wieland, Systems Administrator, PMD
59. Cassandra Waldon, Director, COM
60. Hisham Zehni, Strategic Planning Officer, SKM

Representatives of IFAD Governing Bodies

61. Stefania Bazzoni, Executive Board Director and Audit Committee Chairperson (Italy)
62. Ronald Elkhuisen, Executive Board Director (the Netherlands)
63. Christine Grieder, Minister, Permanent Representative of Switzerland to FAO, IFAD and WFP, Rome
64. Bruna Magalhães da Motta, Attaché, of the Federative Republic of Brazil to the United Nations Food and Agricultural Agencies in Rome
65. Khalid Mehboob, Adviser, Embassy of Pakistan, Rome
66. Médi MOUNGUI, Executive Board Director (Cameroon)
67. Liz Nassaku, Executive Board Director (U.K.)
68. Yaya Olaniran, Executive Board Director (Nigeria)
69. S.K. Pattanayak, former Evaluation Committee Chairperson and Board member (India)
70. Cláudia Angélica Vasques Silva, First Secretary, Alternate Permanent Representative of the Federative Republic of Brazil to the United Nations Food and Agricultural Agencies in Rome

Focus group meetings

71. CPMs
72. PTA/Environment and Climate Division
73. Professional staff not in PMD
74. GS Staff
75. IOE Staff Focus Group
76. ECSA, Executive Committee of the IFAD Staff Association

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(2010)	IFAD Report on Scaling-up
(2010)	Paper on Country Presence
(2010)	Overview of Managing for Development Results
(2010)	Scaling-up the Fight against Rural Poverty
(2010-2012)	Updates on Change and Reform Implementation [EB 2010/101/R.48]
(2010)	Second phase of the reconfiguration of IFAD Senior Management [EB 2010/101/R.48/Add.1]
(2010)	External Compensation Study
(2011)	Selected Project Design and Evaluation Documents
(2011)	President’s Bulletin on Revised Performance Management Procedures
(2011)	IFAD’s Engagement with Middle-Income Countries [EB 2011/102/R.3]
(2011)	IFAD’s Rural Poverty Report
(2011)	Divisional Management Plans
(2011)	Comments of the Independent Office of Evaluation of IFAD on the Report on IFAD’s Development Effectiveness [EB 2011/104/R.9/Add.1]
(2011)	Report on the special expenditure for the Voluntary Separation Programme for 2009-2011 [EB 2011/104/R.53]
(2011)	Mid-year Review for 2011 Administrative Budget Decision Memo
(2011)	Corporate Performance Report

- (2011) New Human Resource Policies and Procedures Guidelines
- (2011) Results Management Framework 2013-2015 [REPL.IX/3/R.4]
- (2011) Corporate Strategic Workplan for Grant Financing [EB 2011/102/R.27]
- (2011) Procedures for Financing from the Grants Programme [EB 2011/102/R.28]
- (2011) Draft Report of the Consultation on the Ninth Replenishment of IFAD's Resources [REPL.IX/4/R.2/Rev.1]
- (2011) IFAD Medium-term Plan 2011-2013 [EB2011/102/R.32]
- (2011) Work plan for IFAD's Office of Audit and Oversight [EB 2011/104/R.47]
- (2011) Report on IFAD's investment portfolio for 2010 [EB2011/102/R.37]
- (2011) IFAD Country Presence Policy and Strategy [EB2011/102/R.10/Rev.1]
- (2011) IFAD's Medium Term Plan 2013-2015
- (2011) IFAD's Guidelines for Initial Phase of Detailed 2012 Administrative Budget Preparation Exercise (BUD)
- (2011) IFAD's Recommendations to Streamline IFAD's Project Disbursement Methodology
- (2011) IFAD's Office Memo, Delegations of Authority
- (2012) The Revised IFAD Loan and Grant Management Business Model and Interdepartmental Cooperation Framework
- (2012) Managing for efficiency in IFAD: Progress under IFAD8 and proposals for IFAD9 [REPL.IX/3/R.2]

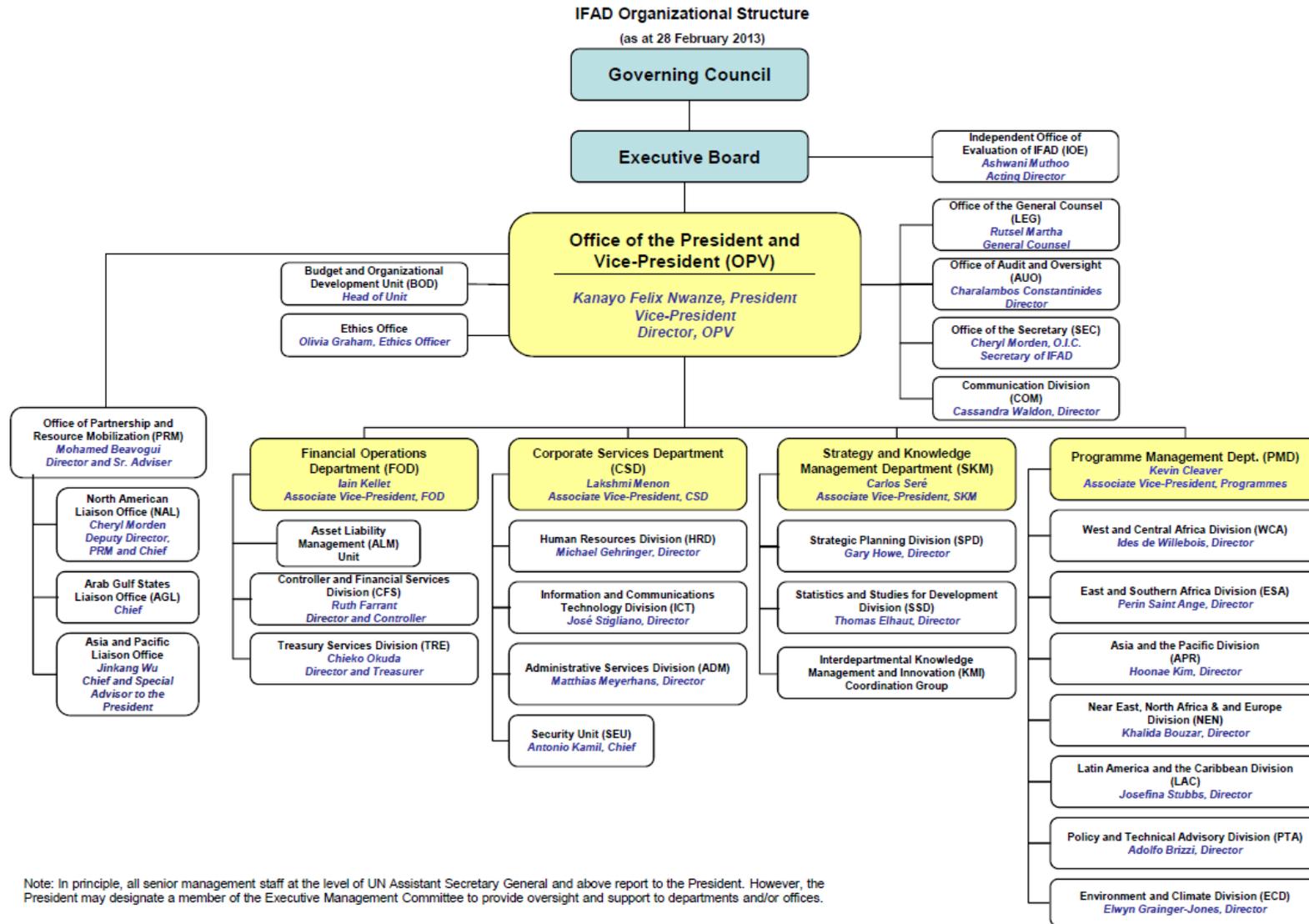
Other documents

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- (2000-2011) The Articles of Agreement for the World Bank
- (2006) Are Aid Agencies Improving? Easterly
- (2008) Where Does the Money Go? Easterly and Pfutze
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- (2009) The changing context and prospects for agricultural and rural development in Africa, (Binswanger-Mkhize, H.P., and McCalla, A.F.)
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- (2010) Aid Quality and Donor Ranking, World Bank
- (2010) QuODA, Quality of Official Development Assistance Assessment, Brookings Center for Global Development
- (2010) Tools and Methods for Evaluating the Efficiency of Development Interventions, Institute for Development Strategy for BMZ (German Federal Ministry for Economic Cooperation and Development)
- (2010) MOPAN Common Approach, IFAD 2010
- (2010) COMPAS, Multilateral Development Banks' Common Performance Assessment System

- (2011) DFID, Multilateral Aid Review, Ensuring maximum value for money for the UK aid through multilateral organisations
- (2011) ECG MDB Practices in Public Sector Evaluations
- (2011) African Development Bank: Bank Group Results Measurement Framework for 2010-2012
- (2011) Amplifying the Enterprise: The 2012 CIO Agenda, Gartner Report
- (2012) The Matrix System at Work: An Evaluation of the World Bank's Organisational Effectiveness

IFAD at a glance

Figure - IFAD organizational structure (February 2013) Source: IFAD Website



Note: In principle, all senior management staff at the level of UN Assistant Secretary General and above report to the President. However, the President may designate a member of the Executive Management Committee to provide oversight and support to departments and/or offices.

Table 1
IFAD at a glance

	2005	2006	2007	2008	2009	2010	2011	2012
Number of loan and DSF grant approvals ^a	31	27	34	29	32	33	34	
Number of grant approvals ^a	66	109	77	70	99	88	83	
Value of loan and grant approvals (US\$ millions) ^a	536	557	556	593	709	845	998	1 157
Value of loans and DSF grants (US\$ millions) ^a	499	515	520	552	662	794	947	
Value of grants (US\$ millions) ^a	37	42	36	41	47	51	50	
Total programme of work ^a	1 028	907	1 215	1 144	1 363	2 427	2 191	2 632
Cofinancing ^a	124	96	425	305	312	677	412	412
Domestic contributions ^a	419	291	274	283	364	934	832	832
Number of approved COSOPs ^b	11	6	15	9	9	6	8	
Number of IFAD country offices ^c	13	14	14	27	30	30	30	
Number of effective programmes and projects under implementation	183	187	196	204	219	233	240	
Number of programmes and projects completed	32	26	25	24	24	20	26	
Number of programmes and projects in the pipeline	61	56	58	69	65	74	64	
Number of approved programmes and projects initiated by IFAD	29	25	28	26	26	28	32	
Number of recipient countries/territories (current portfolio)	88	85	85	88	91	96	97	
Loan disbursements	344	388	399	434	429	458	550	
Loan repayments	158	149	175	186	201	274	288	

Note: Comprehensive data will be added before final publication.

Sources:

^a IFAD Annual Reports and Second Draft of Programme Management Department Medium-Term Plan for IFAD9 (2013-2015)

^b IFAD Executive Board documents

^c IFAD Country Presence Policy and Strategy (EB 2011/102/R.10/Rev.2)

Table 2
Trends in IFAD staffing

<i>Trends in IFAD Staffing</i>	2007	2008	2009	2010	2011	2012
Total Staff	446	450	454	501	532	575
of which HQ Professional level	202	218	230	248	257	291
of which HQ General Service	226	216	207	204	205	198
of which short-term staff	18	17	17	17	17	16
of which locally recruited field staff				31	52	70
FTE IFAD Consultants		211	228	290	302	
PMD Staff	157	168	178	195	272	295
of which HQ professional level	86	102	110	123	131	150
of which HQ General Service	67	63	62	65	68	75
of which short-term staff	3	3	7	6	7	3
of which locally recruited field staff				31	52	70
FTE PMD Consultants		176	192	257	265	
Ratio of PMD P staff to consultants		58%	57%	55%	62%	
PMD Staff (as percentage of total staff)	35%	37%	39%	39%	51%	51%
Total PMD Admin. Budget (US\$ million)	51	58	61	72	79	81

Note: Staff numbers in IFAD's "Work Programme and Budget" documents are broken down differently in 2005 and 2006, so the division between types of staff is not provided. Data on PMD consultants is only available beginning in 2008.

Source: IFAD Annual Reports; Annual results-based programme of work and administrative and capital budgets.

IFAD and comparator organizations

1. **The purpose of this annex is to compare IFAD to other IFIs by compiling ratings data from several different sources.** Ratings for IFAD, the Asian Development Bank (AsDB), the African Development Bank (AfDB), the World Bank, and the Global Fund to Fight AIDS, Tuberculosis, and Malaria are given in the table below.
2. **The data in this annex is compiled from the following studies:** *Quality of ODA* (QuODA), from the Center for Global Development; The Multilateral Organization Performance Assessment Network (MOPAN); United Kingdom Department of International Development (DFID) Multilateral Aid Reviews; *Aid Quality and Donor Rankings* by Knack, Rogers, and Eubank; *Where Does the Money Go? Best and Worst Practices in Foreign Aid* by Easterly and Pfutze.
3. **Most of the ratings systems break down into various dimensions, many of which are shown in the table.** QuODA gives rankings for fostering institutions, reducing burden, transparency and learning, and maximizing efficiency. MOPAN focuses on strategic, operational, relationship and KM. The indicators given in the table from the DFID reports are on organizational strength. The *Aid Quality and Donor Rankings* working paper gives rankings on selectivity, alignment, harmonization and specialization. The ratings from the OECD's *Aid Effectiveness in 2005-10: Progress in Implementing the Paris Declaration* focus on country coordination and lastly, the rankings in the paper *Where Does the Money Go?* concentrate on general best practices for aid agencies. The main dimensions of the ratings from each report are given in this table. Subcategories are also given, where applicable.
4. **IFAD ranks well in absolute terms in some categories.** For example, IFAD scores the best in the "Use of country procurement systems" category in the OECD study on aid effectiveness in 2005-10. IFAD also ranks first in "high country programmable aid share" in the QuODA data. Other portions of the QuODA study rate IFAD well too. IFAD is fourth (second relative to the comparators in the table) in "Focus/Specialization by Recipient Country", and fourth in "Focus/Specialization by Sector". However, IFAD ranks in the middle in most categories. For example, in the "Aid Quality and Donor Rankings" overall scoring, IFAD ranks better than AfDB and the Global Fund, but worse than the AsDB and the World Bank. In the QuODA study, IFAD ranks poorly in "Fostering Institutions" and "Transparency and Learning", but ranks in the middle in the other dimensions. In the MOPAN study, IFAD is neither the sole leader nor sole laggard in any of the main categories.
5. **IFAD is fourth out of 31 in maximizing efficiency, but low relative to the other IFIs.** QuODA's "Maximizing Efficiency" category broadly defines efficiency as the effect of development assistance on poverty reduction. IFAD ranks fourth, which is high in the field of institutions ranked, but low relative to the other IFIs, since it lags three of them. As for categories that would more closely reflect the CLE's definition of efficiency, IFAD ranks poorly in "Low administrative unit costs" and "Share of allocation to well-governed countries". Easterly and Pfutze give IFAD a rank of 37th out of 39 for fragmentation, which measures the amount of diversity in the destination of aid dollars by country and sector. The authors argue that a high level of fragmentation gives up the benefits of specialization and drives up overhead costs, which are relatively high at IFAD. However, as noted previously, IFAD gets the best ranking in "High country programmable aid share".
6. **IFAD ranks relatively poorly when it comes to keeping down costs.** IFAD ranks 27th out of 39 organizations and countries in minimizing overhead, according to Easterly and Pfutze. They report IFAD's ratio of administrative budget to official development financing as 22 per cent, which is significantly higher than that for ADB, AfDB, and the World Bank, which range from 7 to 12 per cent. IFAD also gets

a score of 2 in “Cost and value consciousness” according to DFID, which is a lower score than each of the comparators receives.

7. **IFAD ranks low in terms of its organizational structure.** Relative to the comparators, DFID gives IFAD the lowest score in “Organisational Strengths”.
8. **IFAD struggles in transparency ratings.** QuODA gives IFAD a “Transparency and Learning” ranking of 24th out of 31, which is worse than the comparators. IFAD also receives a transparency ranking of 37th out of 39 in “Where Does the Money Go?,” which is far worse than its comparator IFIs. It must be noted, however, that DFID gives IFAD a “satisfactory” grade for transparency and accountability.

Table
IFAD relative to comparator organizations

	IFAD	AsDB	AfDB	World Bank	Global Fund
QuODA (rankings 1 through 31)					
Fostering institutions	20	6	4	3	9
Reducing burden	7	6	15	3	13
Transparency and learning	24	22	6	1	2
Maximizing efficiency	4	3	2	9	1
Low administrative unit costs	22	12	11	10	1
Share of allocation to well-governed countries	29	24	20	26	18
High country programmable aid share	1	5	3	4	2
Focus/specialization by recipient country	4	2	3	14	8
Focus/specialization by sector	4	2	6	18	1
MOPAN (Inadequate: 1-3.49; adequate: 3.5-4.49; strong or above: 4.5-6)					
Strategic management	4.2	4.3	4.0	4.2	N/A
Operational management	4.0	4.1	4.0	4.4	N/A
Managing human resources	3.6	3.3	3.4	4.0	N/A
Delegating decision-making	3.7	3.9	3.5	4.1	N/A
Relationship management	3.9	4.1	3.8	4.0	N/A
Knowledge management	4.2	4.4	4.2	4.5	N/A
DFID 2011 (Unsatisfactory: 1; weak: 2; satisfactory: 3; strong: 4)					
Organizational strengths	2.6	3.2	3.0	2.8	3.0
Financial resources management	2.0	3.0	3.0	3.0	3.0
Cost and value consciousness	2.0	3.0	3.0	3.0	3.0
Likelihood of positive change	2.0	3.0	4.0	3.0	3.0
Aid quality and donor rankings (rankings 1 through 38)					
Overall	7	1	13	2	22
Selectivity	7	2	11	1	27
Alignment	5	2	28	7	14
Harmonization	6	14	26	11	22
Specialization	9	1	5	7	16
OECD: Aid effectiveness in 2005-10					
Strengthen capacity by coordinated support	34%	42%	68%	71%	40%
Use of country public financial management systems	72%	78%	39%	69%	61%
Use of country procurement systems	85%	37%	33%	54%	70%
Reduction in Parallel Implementation Units (% change) 2005-2010	-115%*	95%	65%	80%	100%
Where does the money go? (rankings 1 through 39)					
Average	36	4	3	1	N/A
Aid Shares	7	25	2	3	N/A
Transparency	37	2	4	1	N/A
Overhead	27	17	18	9	N/A
Ratio of administrative budget to ODF	22%	8%	12%	7%	N/A
Fragmentation	37	10	21	20	N/A

Note: AfDB and World Bank scores have been rescaled to be comparable with IFAD and AsDB.

* Indicates increase in number of units in the case of IFAD.

Sources: *QuODA Second Edition Data*. Center for Global Development.

MOPAN Common Approach Papers. MOPAN.

DFID Multilateral Aid Reviews. DFID, 2011.

Aid Quality and Donor Rankings, Knack, Stephen, F. Halsey Rogers, and Nicholas Eubank, World Bank. 10 May 2010.
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Programmes and programme management – supporting data

Table
PMD staff by division

<i>Division</i>	<i>Year</i>							
	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
PMD front office	12	13	12	11	11	10	9	13
Policy and Technical Advisory	19	20	19	22	25	28	34	36
West and Central Africa	18	30	27	29	29	32	49	54
East and Southern Africa	18	22	26	30	31	37	59	57
Asia and the Pacific	17	27	25	28	33	33	52	58
Latin America and Caribbean	15	19	23	25	24	24	28	27
Near East, North Africa and Europe	14	22	21	25	24	26	34	36
Environment and Climate	0	0	4	0	2	5	7	13
Grand Total	113	153	157	169	178	195	272	295

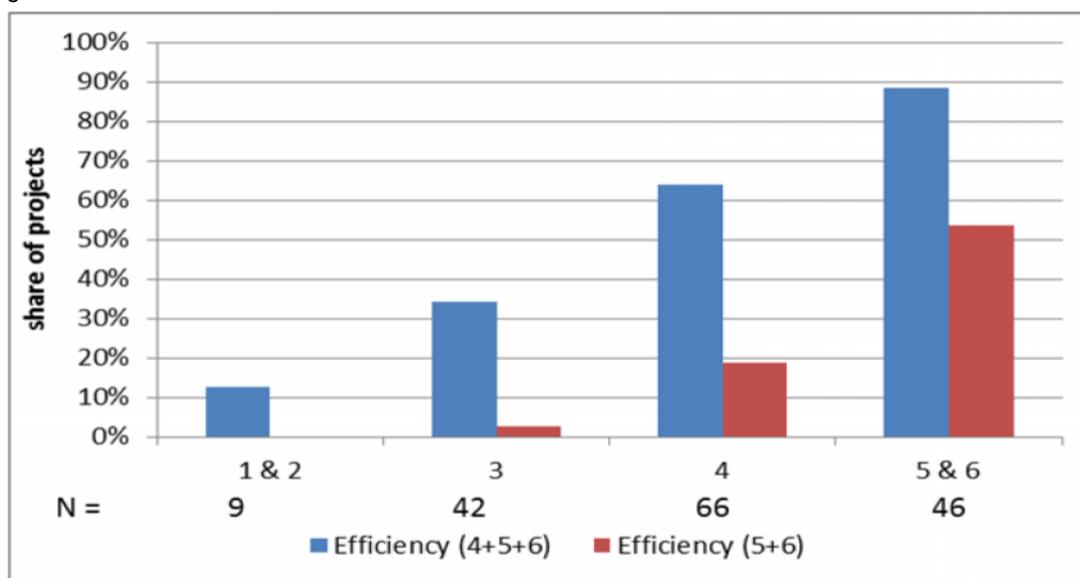
Source: IFAD Annual Reports; annual results-based programme of work and administrative and capital budgets.

Country context and processes: Implications for IFAD’s institutional and programme efficiencies

A. Context and objectives

1. Past IOE evaluations indicate strong correlations between government performance and project efficiency (figure 1). For projects where government performance was unsatisfactory (ratings of 1 or 2), none of the projects was rated fully satisfactory for project efficiency, and only 14 per cent of the cohort was rated moderately satisfactory. In contrast, for projects where the government performance was judged to be satisfactory or better (ratings of 5 or 6), efficiency was satisfactory for close to half of the cohort, with an additional 35 per cent rated moderately satisfactory.

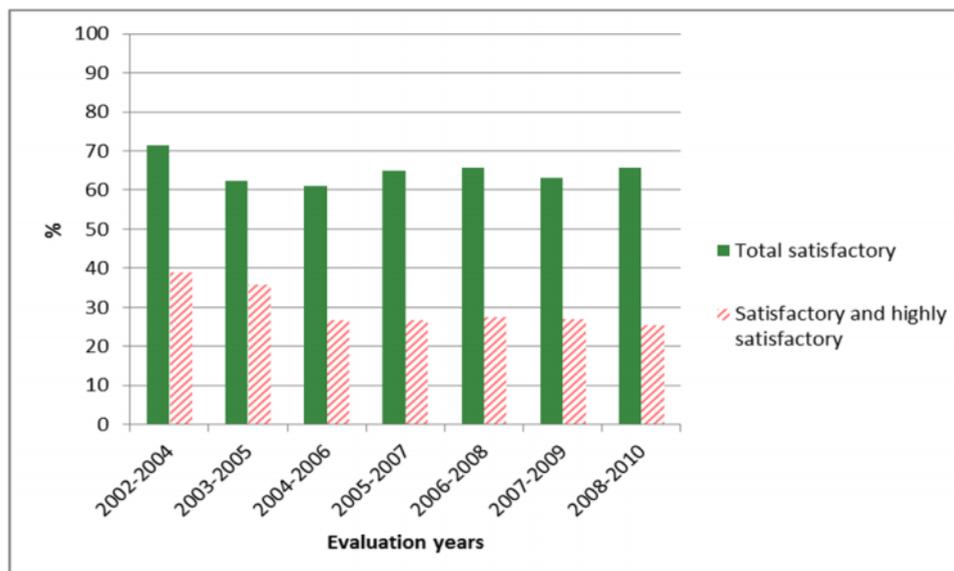
Figure 1



Source: IOE's ARRI database

2. IOE evaluations also suggest that government performance has a significant bearing on IFAD’s own institutional efficiency, i.e. the efficiency with which IFAD uses its administrative budget to deliver its services to the clients. For example, limited government capacities for project preparation and implementation lead to not only lower project efficiency due to poor designs and implementation delays, but they also increase the level of effort required from IFAD during the project cycle, thereby increasing IFAD’s administrative costs and lowering its institutional efficiency.
3. Of particular concern in this context are the evaluation findings that government performance in IFAD-supported projects has been weak and has shown no discernible improvements over the past decade (figure 2). Over a third of the evaluated projects have suffered from government performance in the unsatisfactory range, and for only a quarter of the projects was the government performance considered fully satisfactory. Only four of the 169 evaluated projects received a highly satisfactory rating for the government performance.

Figure 2



Source: IOE's ARRI database

4. Some of the direct manifestations of weak government performance as reported in IOE evaluations include:
 - (i) Protracted time period for project preparation and approval;
 - (ii) Long delays between project approval and effectiveness;
 - (iii) Long delays in project implementation due to:
 - Delays in appointment of key staff
 - High turnover of key staff
 - Slow resolution of implementation problems
 - Inadequate provision of counterpart funds
 - Delays in managing project-related procurement;
 - (iv) Non-compliance with loan covenants;
 - (v) Inadequate fiduciary controls;
 - (vi) Inadequate M&E arrangements;
 - (vii) High level of project management costs;
 - (viii) Cost overruns; and
 - (ix) Shortfalls in anticipated benefits.
5. A key objective of this efficiency CLE is to better understand the nature of the issues underlying weak government performance and their implications for IFAD's programme and institutional efficiencies. To that end, five countries – Honduras, India, Mali, the United Republic of Tanzania and Uganda – were selected by IOE for in-depth country case studies by five seasoned development professionals with intimate knowledge of the respective country contexts and processes.¹⁵⁷ Specific objectives of the country case studies were to:
 - (i) Identify and prioritize government processes with significant implications for the efficiency of IFAD-supported projects and programmes and for IFAD's own institutional efficiency;

¹⁵⁷ Ernst Schaltegger, Wilfred Ngirwa, Seydou Traoré, Govindan Nair, and Orlando Garner.

- (ii) Assess the extent to which the above problems are systemic issues which also affect portfolios of other partners;
- (iii) Examine scope for adaptation of IFAD's own operational processes to help mitigate and/or reduce the adverse impact of government processes; and
- (iv) Solicit feedback from IFAD's clients and partners on IFAD's performance in the design and delivery of its respective country programmes and how IFAD could better serve its clients.

B. Case study approach and limitations

6. Launch of the country case studies followed a two-day workshop in Rome attended by the five country experts and the core CLE team to develop a shared understanding of the objectives, focus and approach of the country case studies. Based on discussions during the workshop and with guidance from IOE Management, the evaluation team decided to focus the country case studies on government processes in the following five areas:
- (i) **Providing strategic guidance for and oversight of COSOPs**
 - Clarity and coherence of government's guidance on objectives and priorities for IFAD support – analytical underpinning for COSOPs, specificity in articulating government objectives, programmatic coherence and synergies embedded in government policies;
 - COSOP ownership and programme volatility – credibility and standing of the main interlocutors from the client side, breadth of ownership among key stakeholders, institutionalization of COSOP processes, continuity in client's COSOP-related objectives and approaches over time;
 - Unique country contextual factors (e.g. country preference for locating IFAD-supported projects in civil-strife affected areas); and
 - COSOP monitoring and evaluation by government.
 - (ii) **Government contributions towards project preparation and design**
 - Analytical underpinnings for guiding project design (quality of country sector knowledge, quality of relevant databases, lessons of experience);
 - Client contributions towards project preparation:
 - Client attention to ownership, sustainability and scaling-up;
 - Client processes for ensuring readiness for implementation;
 - Client guidance on cofinancing and aid coordination; and
 - Client's project approval and ratification processes.
 - (iii) **Government capacity for managing project implementation**
 - Mechanisms for providing strategic guidance and oversight to implementing agencies and assuring inter-agency coordination (e.g. steering committees);
 - Practices vis-à-vis use and functioning of PMUs/PIUs and their implications for efficient implementation, overhead costs and post-implementation sustainability;
 - Fiduciary processes and practices (procurement, accounting auditing, budget planning, release of funds);
 - Processes for appointment and retention of key project staff;
 - Processes to facilitate coordination with other cofinanciers; and

- Monitoring and follow-up (processes for periodic monitoring, MTRs, project restructuring, extensions and cancellations).
- (iv) **Client attention to KM and policy dialogue**
- Mechanisms for learning lessons and sharing knowledge across regions, different levels of government and among donors;
 - Focus on innovation, scaling-up and replication; and
 - Client receptivity to policy dialogue.
- (v) **Client role in grant selection, design and follow-up**
- Client involvement in grant selection and design; and
 - Client involvement in grant implementation and follow up.
7. Besides reviews of key relevant documents,¹⁵⁸ the case studies included semi-structured interviews with CPMs and ICO staff, concerned government representatives, project managers and staff, in-country CSO representatives associated with IFAD projects, and representatives of other IFIs and development partners located in the field. Where appropriate and feasible, the case studies also included field visits to selected project sites to solicit beneficiary feedback and suggestions.
8. A custom-built structured instrument was employed to capture judgments emerging from the case studies. The instrument used a four-point rating scale¹⁵⁹ to assess implications of various government “processes” for IFAD’s institutional efficiency as well as for the efficiency of IFAD-supported development programmes in the country (annex vii).
9. In addition, based on their documentary reviews as well as feedback from government and partner representatives and project management staff, country experts provided judgments on IFAD’s own performance in design and delivery of its country programme. This included inter alia feedback on:
- (i) Cost and value-added of COSOPs and the underlying processes;
 - (ii) Value added by IFAD staff – CPMs and others – during design and implementation;
 - (iii) Credibility and usefulness of consultants retained by IFAD during project preparation;
 - (iv) Attention paid by IFAD to tailoring project designs to client’ implementation capacities;
 - (v) Readiness for implementation at approval of IFAD-supported projects;
 - (vi) Timely responses from IFAD on procurement and disbursement matters;
 - (vii) Quality of implementation support and advice provided by IFAD; and
 - (viii) Functioning and impact of IFAD’s country offices (where relevant).
10. To maintain reasonable comparability with IOE’s evaluative data on IFAD performance, a six-point scale (ranging from highly satisfactory to highly unsatisfactory) was employed in rating IFAD’s performance in each of the five countries (appendix II).
11. Preliminary findings from the country case studies were discussed during a two-day workshop in Washington, D.C. to assure cross-country comparability of the reported findings and to identify cross-cutting themes and issues. The findings below reflect refinements to both the case study methodology and further

¹⁵⁸ COSOP; latest COSOP implementation report; President Report and two latest PSRs for selected projects; CPE, if available; latest ARRI and PMD ARPP; concerned divisional ARPP; PTA ARPP; two most recent PCRs and PCRVs, if done within last five years; the most recent two ongoing grants report, where applicable.

¹⁵⁹ 1 = Significant adverse impact; 2 = Moderate adverse impact; 3 = Neutral to insignificant impact; 4 = Moderate positive impact

reflections by the case study consultants in light of the discussion during the workshop.

12. In interpreting the findings emerging from the case studies, it is important to keep in mind that while the five countries chosen for the case studies are fairly diverse in terms of the country contexts and the size and contents of IFAD support to them, they are not necessarily representative of the IFAD clientele as a whole. Accordingly, the findings from these case studies should be treated only as illustrative and may not be applicable to the IFAD programmes as a whole. Also, despite concerted efforts to systematize the study methodology and assure uniformity in benchmarking of results among the five country studies, there is an unavoidable element of subjective judgments inherent in the case study approach. That again calls for caution since the reliability of the findings could be a potential issue.

C. Main findings

Implications of country context and processes for IFAD efficiency

Providing strategic guidance for and oversight of COSOPs

13. In most cases, clients provided clear guidance on COSOP objectives and priorities and the COSOP preparation often benefited from availability of country's own poverty reduction strategies. Client objectives for COSOPs were generally consistent with IFAD's mandate of targeting the hard-to-reach rural poor (e.g. indigenous groups in challenging areas of central India). However, guidance on delivery modalities was not always clear and coherent (e.g. use of SWAPs vs. stand-alone projects in Tanzania). Pressures to expand geographical coverage of IFAD-supported programmes due to political considerations added to IFAD's delivery costs and diluted the impact of its programmes in some cases (Uganda, Tanzania).
14. IFAD had good access to senior decision-makers in client countries but often times COSOP ownership was narrow due to limited engagement by other key stakeholders in programme formulation (India, Honduras). Also in some cases, COSOP dialog was driven by personalities and ownership was not institutionalized – leading to potentially disruptive changes in objectives and approaches over time.
15. In some cases, country-specific contextual factors significantly complicated delivery and effectiveness of COSOP programmes (e.g. India programme targeted at hard-to-reach tribal populations in remote areas with weak institutions; use of different implementation modalities in Zanzibar compared to those for mainland Tanzania; concentration of IFAD's Mali programme in areas affected by civil strife; Honduras' policies on concessionality in externally financed projects leading to unraveling of agreed project financing plans).
16. Many countries lacked mechanisms for monitoring COSOP implementation and for systematic capture of lessons. Monitoring was often limited to monitoring of individual projects rather than the programmes as a whole. Tanzania was a notable exception in this respect benefitting from a proactive posture by the Government in aid coordination and oversight.

Contributions to project preparation and designs

17. Available sector knowledge was often inadequate and databases often poor, necessitating additional surveys and studies for defining sector approaches as well as project scope and designs.
18. Client capacity to prepare projects was weak and even where it existed (e.g. India), the clients took a hands-off approach, putting the entire onus of project preparation on IFAD. Lack of direct client involvement in project preparation and

design meant dilution of ownership, inadequate attention to realism of project objectives and designs, and concerns about financial and institutional sustainability.

19. Clients were open to IFAD working with CSOs and beneficiary organizations in project design and implementation and that provided a conducive environment for social and organizational innovations in IFAD-supported projects.
20. Many projects were not ready for implementation at approval leading to implementation delays and cost overruns. Client capacity for assuring quality at entry was weak in most cases, putting premium on IFAD's own QA processes.
21. Process alignment with other cofinanciers added to IFAD's administrative costs but also contributed to expanded leverage and potential impact for IFAD-supported projects (Honduras, Tanzania).
22. Experience with project approval and ratification processes was mixed, but performance seemed to be improving (e.g. simplification of ratification process in Honduras). Poorly thought through project designs were sometimes an important reason for delays in ratification (Tanzania ASDP).

Government capacity for managing project implementation

23. Use of PMUs/PIUs appeared to be the norm and functioned well for managing project implementation especially for projects located in remote areas. However, heavy costs associated with many PMUs as well as their post-implementation sustainability were issues bearing on programme efficiency and effectiveness over the longer-term. Mechanisms for strategic guidance, troubleshooting and oversight through steering committees appeared to function reasonably well all around.
24. Weaknesses in client capacity for fiduciary aspects, as well as complex accounting and procurement procedures, added to IFAD administrative costs and contributed to delays to project implementation. Timely release of counterpart funds was also a problem in some cases (Tanzania).
25. Surprisingly, appointment and turnover in key project staff were not seen as an important issue in most countries. India was a notable exception in that respect where politically driven appointments and transfers were often a major obstacle to efficient project implementation.
26. Joint supervision with other cofinanciers was helpful in partially defraying IFAD's project supervision costs while improving potential for scaling-up through partner resources. However that also meant higher administrative costs to IFAD for aid-coordination.
27. Progress reporting by clients needed to be more user-friendly and timely in reporting on emerging issues and problems (Mali). Quality of and follow-up on Government prepared MTRs were uneven (Tanzania). Decision making concerning project restructuring, extension and cancellations was also problematic in some cases (Honduras).

Attention to KM and policy dialogue

28. Despite lack of conscious efforts by governments, lessons from IFAD-supported programmes were being learnt and reflected in future projects. Many clients showed receptivity to scaling-up of promising ideas emerging out of IFAD projects. Governments were also open to policy dialogue based on lessons emerging from IFAD-supported projects. In India, for example, as state governments observed the impact of IFAD-supported projects aimed at tribal development and women's empowerment, they responded by adopting policies and issuing directives and guidelines to replicate and deepen the IFAD-supported models. IOE's evaluations, especially CPEs, appeared to be playing an important role in extracting and disseminating lessons. However, many clients and partners would like IFAD to be

even more proactive in this respect. IFAD would also need to be better prepared to effectively undertake policy dialogue.

Grant selection, design and follow-up

29. Client attention to the grants programme (especially of the regional/global grants) was very low. Implementation was often unsupervised and unmonitored. The lack of client interest reflected in part small size of many grants and their inadequate integration into the COSOPs.

Client/partner feedback on IFAD performance

30. **COSOP design** (moderately satisfactory). COSOPs are seen as valuable documents, and usually conform to national priorities. However, when timing is out of sync with preparation of government strategy and PRSP, this can increase costs for all concerned. COSOPs suffer when consultation is not broad enough to ensure ownership (Honduras, India). In some cases (Mali), the COSOP quality also suffers because IFAD consultants lack knowledge of country strategies (Mali).
31. **Project concept, design and approval** (moderately satisfactory). Projects are seen as well-targeted, incorporating lessons of past projects as well as attention to scaling-up. However, client capacities are often misjudged (Uganda, India) and projects can be overly complex (Tanzania, Uganda). Projects are also not ready for implementation at approval.
32. **Project implementation support, MTRs and restructuring** (moderately satisfactory). DSIS is seen as clearly a positive development, although sometimes supervision can be done mechanically (Mali), and supervision missions may seem large and inefficient (Tanzania). Lack of provision of effective capacity building is often a hindrance (Uganda, Honduras).
33. **Grants approval and supervision** (moderately satisfactory). IFAD's performance on grants depends strongly on whether the grants are integrated into the country programme. This is the case in Uganda, Honduras, and Tanzania, but not the case in Mali and India. Where grants are not integrated into country programme, implementation is often unsupervised and unmonitored (especially global and regional grants).
34. **Knowledge management** (moderately satisfactory). IFAD typically participates in multi-donor fora and usually focuses on lessons from its own programmes. There is systematic sharing in Mali and Uganda. Its website is useful. IFAD is not adequately staffed for meaningful policy dialogue. Policy dialogue is sometimes ad hoc (Tanzania).
35. **Country office establishment** (moderately satisfactory – where they exist). Country presence has benefitted supervision and policy dialogue. Unclear delegation of authority between headquarters and field offices is a problem (Tanzania). Strong client interest in out-posting of CPMs (Uganda, India).

D. Summary, conclusions, and recommendations

36. The country case studies confirm the prevailing view that client contexts and processes are adversely affecting IFAD's programme and institutional efficiencies. The studies suggest however that excepting in a few areas, the overall impact is rather modest and not materially different from that for the programmes of the other IFIs.
37. Weaknesses in client capacity for project preparation and a culture of dependence on IFAD for project preparation is by far the most important client process affecting IFAD's efficiency. Besides significant additional costs to IFAD for programme delivery, it also means dilution in project quality due to underprepared projects that are slow to take off after approval. The problem is by no means unique to IFAD and most other IFIs face the same problems in developing their own

pipelines. However, unlike other IFIs, IFAD does not have a supplementary source of funding for project preparation, thus putting extra pressures on IFAD's own administrative budget. In addition to encouraging greater client participation in project preparation, IFAD needs to help mobilize supplementary funding for governments to assure that the IFAD-supported projects are adequately prepared and ready for implementation at approval. IFAD also needs to pay more attention to ensuring that project objectives and design are realistic, since client processes for doing so are weak or non-existent.

38. Without question, the challenging nature of objectives assigned to IFAD in many countries also mean significantly higher costs to IFAD for programme delivery as well as higher risks to outcomes of IFAD-supported projects. To an extent, this is an issue unique to IFAD. Arguably however, it is integral to IFAD's own mission and mandate and not driven by the client processes per se.
39. The COSOP-related client processes also have adverse impacts on IFAD's institutional and programme efficiencies, but only modestly. IFAD could ameliorate some of those impacts by encouraging broader consultations during the COSOP formulation, aligning the process with national planning exercises, greater customization of COSOP designs, and more attention to systematic monitoring of COSOP implementation and, where necessary, updates and revisions.
40. Lack of readiness at approval and weaknesses in implementation and fiduciary capacity on the client side mean slippages in project implementation schedules, increase in overhead costs and significant cancellations of loan amounts. The use of PMUs is helping overcome immediate capacity constraints, but in many cases at the cost of programme efficiency and longer-term sustainability. The expanded country presence and the DSIS are considered as positive steps towards strengthening IFAD support for implementation and strengthening relevant client capacities, in particular for M&E.
41. Clients and partners are receptive to IFAD's non-lending services and there are several examples of replication and scaling-up of innovations demonstrated in IFAD projects. In the absence of coherent platforms, opportunities exist for improving IFAD's programme efficiency through greater attention to KM, policy dialogue and replication of successful innovations.
42. The grants programme is poorly integrated into the COSOPs and receives very little attention from clients; there appears to be significant scope for improving IFAD's institutional and programme efficiency through stronger ownership and better management of the grants programme.

Summary of government processes

Table 1
Country context and processes: Implications for IFAD's efficiency – Results from country case studies

Client processes	Institutional efficiency						Impact on IFAD					
	India	Mali	Uganda	Honduras	Tanzania	Average	India	Mali	Uganda	Honduras	Tanzania	Average
1. Strategic guidance/Oversight of COSOPs	2.3	2.3	2.5	2.0	2.8	2.4	2.3	2.0	2.8	2.0	3.0	2.4
1.1 Coherence and clarity of guidance on objectives and priorities	3	4	3	3	3	3.2	3	3	4	3	3	3.2
Defining mandate/focus of activity in country	4	3	3	3	3	3.2	4	4	3	3	3	3.4
Analytical underpinning, e.g. PRSP, sectoral knowledge, CPE	3	4	4	3	2	3.2	3	3	3	3	3	3
Processes for ensuring coherence of COSOP	3	4	3	4	3	3.4	3	3	3	4	3	3.2
1.2 COSOP ownership and programme volatility	2	2	2	2	3	2.2	2	2	2	2	3	2.2
Creating ownerships – level of dialogue, breadth of ownership, institutionalization	2	1	3	2	3	2.2	2	2	3	2	3	2.4
Policy volatility and counterpart continuity	3	2	1	2	2	2	3	2	1	2	2	2
1.3 Programme monitoring and evaluation	3	2	2	2	4	2.6	3	2	2	2	4	2.6
1.4 Country contextual factors	1	1	3	1	1	1.4	1	1	3	1	2	1.6
2. Contributions to project preparation and designs	1.8	1.7	2.2	2.2	2.2	2.0	1.6	2.2	2.5	2.3	2.2	2.2

Client processes	Institutional efficiency						Impact on IFAD					
							Programme efficiency					
	India	Mali	Uganda	Honduras	Tanzania	Average	India	Mali	Uganda	Honduras	Tanzania	Average
2.1 Analytical underpinning (availability of data/analysis/ lessons from past projects)	3	2	3	2	2	2.4	2	3	3	2	2	2.4
2.2 Contribution to project preparation	1	1	1	1	1	1	2	2	2	2	2	2
2.3 Attention to ownership, sustainability and scaling-up	2	2	2	2	2	2	2	2	2	2	2	2
Leadership/guidance and ownership vis-a-vis project design	1	2	2	2	2	1.8	1	2	2	2	2	1.8
Ensuring Participation of stakeholders, Use of local human resources/capacity	1	2	3	3	2	2.2	1	2	3	3	2	2.2
Local capacity to implement	2	3	2	3	3	2.6	2	3	2	3	2	2.4
Building in of exit strategy	2	2	2	2	2	2	2	2	2	2	3	2.2
2.4 Ensuring readiness and realism	1	2	1	2	2	1.6	1	2	1	2	2	1.6
Ensuring readiness	1	2	1	1	2	1.4	1	2	2	1	2	1.6
Clarity of simplicity and realism of design	2	2	2	2	2	2	2	2	2	2	2	2
2.5 Cofinancing	N/A	2	3	2	3	2.5	N/A	3	3	2	2	2.5
2.6 Approval process	2	1	3	4	3	2.6	1	1	4	4	3	2.6
3. Project Implementation	2.5	3.0	2.7	2.5	3.0	2.7	2.2	2.8	2.8	2.7	2.7	2.6
3.1 Mechanisms for providing strategic guidance	3	3	3	3	3	3	2	3	3	3	3	2.8
3.2 PMUs/PIUs (autonomy, cost, level of sustainability)	2	3	3	3	3	2.8	2	3	4	3	3	3

Client processes	Institutional efficiency						Impact on IFAD Programme efficiency					
	India	Mali	Uganda	Honduras	Tanzania	Average	India	Mali	Uganda	Honduras	Tanzania	Average
	Implementation Capacity	3	3	3	2	3	2.8	3	3	3	2	3
PMUs/PCUs—level of autonomy	3	3	3	3	3	3	3	3	4	4	3	3.4
PMU Cost	2	3	3	2	3	2.6	2	3	2	2	3	2.5
Institutional sustainability	2	2	2	3	3	2.4	2	2	2	2	3	2.2
3.3 Fiduciary processes and practices	3	3	3	2	3	2.8	2	2	3	3	2	2.4
Government processes/practices—procurement, accounting, auditing, counterpart funding	3	2	3	3	2	2.6	2	2	3	3	2	2.4
Release of funds	3	3	4	3	2	3	2	2	4	2	2	2.4
Project budget planning process	4	3	3	3	3	3.2	3	3	3	3	3	3
3.4 Appointment and retention of staff	1	4	3	3	3	2.8	1	4	3	3	3	2.8
3.5 Cofinancing and partnership	3	3	2	1	3	2.4	3	3	2	1	2	2.2
3.6 Processes for monitoring and follow-up	3	2	2	3	3	2.6	3	2	2	3	3	2.6
Quality of MTRs and follow-up	3	2	3	3	3	2.8	3	2	3	3	2	2.6
Monitoring and follow up	3	2	2	3	3	2.6	3	2	2	3	3	2.6
Processes for deciding on restructuring, extensions cancellation	3	2	2	2	3	2.4	3	3	2	2	3	2.6
4. Processes for KM and policy dialogue	2.3	3.0	2.7	3.3	3.3	2.9	2.3	3.0	3.0	3.3	3.3	3.0

<i>Client processes</i>	<i>Institutional efficiency</i>						<i>Impact on IFAD Programme efficiency</i>					
	<i>India</i>	<i>Mali</i>	<i>Uganda</i>	<i>Honduras</i>	<i>Tanzania</i>	<i>Average</i>	<i>India</i>	<i>Mali</i>	<i>Uganda</i>	<i>Honduras</i>	<i>Tanzania</i>	<i>Average</i>
4.1 Mechanisms for learning lessons and sharing knowledge	2	2	2	3	3	2.4	2	2	2	3	3	2.4
4.2 Focus on innovation, scaling-up and replication	3	3	3	4	3	3.2	3	3	4	4	3	3.4
4.3 Government openness to policy dialogue	2	4	3	3	4	3.2	2	4	3	3	4	3.2
5. Grant selection, design and follow-up	1	1	2	2	2	1.6	1	2	2	2	2	1.8
5.1 Client involvement in grant selection and design	1	1	2	2	2	1.6	1	2	2	2	2	1.8
5.2 Client involvement in implementation monitoring and follow up	1	1	2	2	2	1.6	1	2	2	2	2	1.8
Country averages	2.0	2.2	2.4	2.4	2.7	2.3	1.9	2.4	2.6	2.5	2.6	2.4
Country averages						2.3						2.4
Overall average of five countries												2.4

- 1- Significant adverse impact
- 2- Moderate adverse impact
- 3- Neutral to insignificant impact
- 4- Moderate to positive impact

Table 2
Country context and processes: Implications for IFAD's efficiency – Results from country case studies

Process	Consultant ratings of IFAD performance Country				
	Mali	India	Uganda	Honduras	Tanzania
1. COSOP preparation and monitoring	Satisfactory	Moderately satisfactory	Moderately unsatisfactory	Moderately satisfactory	Moderately satisfactory
2. Project concept, design and approval	Satisfactory	Moderately satisfactory	Moderately satisfactory	Moderately satisfactory	Moderately satisfactory
3. Project implementation support, MTRs and restructuring	Moderately satisfactory	Satisfactory	Moderately satisfactory	Moderately satisfactory	Moderately satisfactory
4. Grants approval and supervision	Unsatisfactory	Unsatisfactory	Satisfactory	Satisfactory	Satisfactory
5. Knowledge management and policy dialogue	Satisfactory	Moderately unsatisfactory	Satisfactory	Moderately satisfactory	Moderately unsatisfactory
6. Functioning of country office	N/A	Moderately satisfactory	Satisfactory	N/A	Moderately satisfactory

Oversight and support units – supporting annex

A. Comparison of units' shares of total budget – IFAD and comparator institutions

Note: In the tables below, the budget shares for UNDP and UNICEF are based on total budgets that include trust funds and other extra-budgetary resources, as these funds constitute a significant proportion of O&S units' budgets (UNDP), or are not shown separately from regular resources in the total budget (UNICEF).

Table 1
Corporate Services Support Group

	IFAD	AfDB	AsDB	IADB	WB	FAO	UNDP	UNICEF	WFP	GF
AUO	1.2	1.6	1.3	1.4	0.9	0.9	2.1	2.3 ^a	3.2	4.2
LEG	2.1	2.1	2.4	1.7	1.4	0.9	^b	^b	1.4	
SEC (excl. Boards) ^c	5.7	1.9	1.2	2.0	0.6	2.8			1.9	
Memo Boards	-	5.8	5.0	4.3	2.9	-	^d	^d	-	^d
COM ^e	3.8	1.1	2.2	1.6	1.2	3.8	4.0 ^f	6.7 ^f	7.1 ^g	9.2 ^h
Total CSSG (excl. Boards)	12.8	6.7	7.1	6.7	4.1	8.4	6.1	9.0	13.6	13.4

Note: Responses given in percentages

Notes on organizational differences that affect comparability:

^a Includes the budget of UNICEF's Evaluation Office; therefore, the budget share is not comparable with that of AUO.

^b In UNDP and UNICEF, LEG is part of the following cluster: Corporate financial, ICT, procurement, legal and administrative management. The budget share of this cluster is shown in table 2-FOD.

^c All comparator MDBs have resident boards, and the full costs of board members' offices are included in their administrative budgets.

^d UNDP, UNICEF and the Global Fund do not disclose the cost of their EB secretariat functions in their budget papers.

^e Includes the budgets of units with external and internal communications functions. In some institutions, these functions are performed by their external relations departments.

^f Represents the budget share of UNDP and UNICEF clusters: Corporate external relations and partnerships, communications and resources mobilization.

^g Represents the combined budget share of WFP's following divisions: Communications, Public Policy and Private Partnerships; Office of ASG, External Relations; and Multilateral and NGO Relations Division.

^h Represents the budget share of GF's External Relations, Partnerships and Resource Mobilization.

Table 2
Financial Operations Department

	IFAD	AfDB	AsDB	IADB	WB	FAO	UNDP	UNICEF	WFP	GF
BUD	0.4	1.1	4.0 ^a	4.1 ^b	0.7 ^c	1.1 ^d			2.6	
CFS	3.8 ^e	2.8	2.5	3.4 ^f	1.8	1.8 ^g			3.2 ^f	
TRE	1.4	1.7	2.6	^e	2.6	^f			^e	
Front Office	0.4	2.8 ^h	^b	0.2 ⁱ	1.2	0.1 ⁱ			1.8	
Total FOD	6.0	8.4	9.1	7.7	6.3	3.0	18.1 ^j	16.5 ^j	7.6	3.4 ^h

Note: Responses given in percentages

Notes on organizational differences that affect comparability:

^a In AsDB, the budget and human resources functions are combined in a single department and, therefore, this percentage is not fully comparable with those of other IFIs. Data for the budget of the Front Office is not available.

^b In IADB, the budget and administrative services functions are combined in a single department and therefore this percentage is not fully comparable with those of other IFIs.

^c Represents the budget of World Bank's Corporate Finance and Credit Risk Vice-Presidency, which includes the budget function. Further breakdown of this budget is not available.

^d Represents the budget share of FAO's Office of Strategy, Planning and Resources Management.

^e FOD budget excludes the budget for PMD's FM staff and consultants who were transferred to CFS, effective 1 January 2012. Information provided by FOD's Budget Unit indicated that the transfer of these staff and consultants led to a budget transfer of US\$1.5 million from PMD to CFS.

^f In IADB and WFP, the controller and treasury functions are combined in a single department and therefore, this percentage is not fully comparable with those of the other institutions.

^g FAO has a Finance Division, which is assumed to have functions similar to CFS and TRE.

^h Includes the budget of AfDB's corporate finance and risk management function.

ⁱ In IADB and FAO, a single front office covers finance and administration.

^j Represents cost of the following 'clusters' in UNDP and UNICEF: Corporate financial, ICT, procurement, legal and administrative management. Therefore, these shares are not comparable with that of FOD.

^k Global Fund budget includes only a total figure for the finance function.

Table 3
Corporate Services Department

	IFAD	AfDB	AsDB	IADB	WB	FAO	UNDP	UNICEF	WFP	GF
ADM	7.9 ^a	4.4 ^b	2.6	4.1 ^c	5.7	4.8	3.8 ^d	2.9 ^d	6.4	
HRD	3.9	2.6	4.0 ^e	1.8	2.6	3.3	7.2	7.2	5.6	
ICT	4.7	3.7	2.6	5.5	2.5	5.4	^d	^d	8.4	
Front Office	0.6	0.6	^e	0.2 ^f		0.6				
Total CSD	17.1	11.3	9.2	11.6	10.8	14.1	11.0 ^d	10.1 ^d	20.4	20.1 ^g

Note: Responses given in percentages

Notes on organizational differences that affect comparability:

^a ADM's percentage includes the budget of the Security Unit, to allow comparability with other organizations. Excluding the Security Unit's budget, ADM budget is 6.4 per cent of IFAD's administrative budget.

^b Includes the cost of language services. In IFAD, the bulk of translation and interpretation costs are included in SEC, under CSSG.

^c In IADB, the budget and administrative services functions are combined in a single department and therefore this percentage is not fully comparable with those of other IFIs.

^d Includes cost of security only. In UNDP and UNICEF, the costs of CSD functions other than Security and HR are included in the following cluster (shown in Table 2 - FOD): Corporate financial, ICT, procurement, legal and administrative management. Total percentages include HR and Security only and therefore are not comparable with CSD.

^e In AsDB, the budget and human resources functions are combined in a single department and, therefore, this percentage is not fully comparable with those of other IFIs. Data for the budget of the Front Office is not available.

^f In IADB, a single front office covers finance and administration.

^g Budget share of following functions in GF: Human resources, information systems and support, administration, contracting, internal communication and legal. Therefore, the percentage is not comparable with that of CSD.

B. Key performance indicators

1. The important findings on performance indicators from the CLE survey of non-PMD managers were the following:
 - (i) Between 60 and 80 per cent of respondents agreed (ratings of partially agree or agree) that the performance indicators and targets used to measure and monitor their departmental/divisional performance were specific, measurable, achievable, realistic, and cover a defined timeframe for monitoring and reporting.
 - (ii) But only one-third agreed that their departmental/divisional performance indicators were helping them to manage their units and achieve IFAD's strategic priorities.
 - (iii) The disparity between the two sets of ratings shows that while managers regard the indicators to be properly designed, they do not find the ratings useful for their decision-making.
2. The following table presents some illustrative examples of performance indicators in the MTP and the CLE's classification of the indicators by output/outcome and measurable/non-measurable. Following the table, the MTP indicators are further discussed below.

Table 4

Performance indicators in Medium-term Plan 2011-2013 – some illustrative examples

<i>Unit</i>	<i>Measures of success (Performance Indicator)</i>	<i>Type of Indicator</i>	<i>Measurable</i>
AUO	Key corporate risks identified and monitored Timely and highly relevant audit reports	Outcome ^a	No
LEG	Number of loan agreements Number of host country agreements	Output ^b	Yes
COM	Increased internal communications capacity Improved quality of IFAD publications Better knowledge of IFAD among target audiences	Outcome	No, for the first two Yes, for the third
SEC	Smooth functioning of Governing Bodies Increased engagement by IFAD membership with its activities	Outcome	Yes, for the first ^c No, for the second
CFS	Robust financial management of regular and extra-budgetary funds Timely processing of transactions	Outcome Output	No, for the first Yes, for the second
TRE	Principal on investments is protected Rate of return is matched with benchmarks	Outcome	Yes
ADM	Submission of sustainable policy for common procurement with Rome-based agencies Timely and efficient implementation of host country agreements	Outcome	Yes ^d
HRD	Staff engagement index Average time to fill professional vacancies	Outcome Output	Yes
ICT	System support for strategic workforce planning and staff profile management Capital budget projects delivered on schedule	Outcome	Yes

Notes:

^a Outcome indicators are qualitative, unless otherwise noted.^b Output indicators are quantitative, unless otherwise noted.^c This outcome can be measured through the client surveys of Governing Bodies conducted by SEC.^d Service standards are needed to measure the timely and efficient implementation of host country agreements.

Oversight units

3. The measures of success (i.e. performance indicators) listed for AUO in the MTP are outcome indicators, related to the timeliness and relevance of audits and investigations; preparation of a risk-based annual workplan; and feedback obtained on country programme audits. The AUO indicators do not include the percentage of audit recommendations accepted for implementation by managements of the units or functional areas audited – an outcome indicator that is generally used by internal audit units of IFIs – because AUO does not issue a recommendation unless the responsible manager has agreed to the recommended action and the implementation timeframe. As an indicator of Management’s implementation of AUO recommendations, IFAD’s corporate KPIs include the actual rate of implementation of audit recommendations by each IFAD division.
4. The performance indicators for LEG listed in the MTP are output indicators as they measure the volume of its activities, but do not address the quality of its services.¹⁶⁰
5. Some of the performance indicators for COM set out in the MTP are outcome indicators – such as increased internal communications capacity and improved quality of publication – and are not measurable. However, another outcome indicator – better knowledge of IFAD among target audiences – can be measured through public opinion surveys. As noted earlier, COM has conducted baseline research on stakeholder perceptions of IFAD.
6. The performance indicators for SEC stated in the MTP are also outcome-oriented, e.g. Increased engagement by IFAD membership with IFAD’s activities. The sources of verification of the success measures, stated in the MTP, pertain mainly to SEC’s volume of activities, but also include a SEC client survey, which covers the Governing Bodies.¹⁶¹

Support units

7. The MTP performance indicators for CFS cover both outcome and output (volume and timeliness) indicators. These indicators are appropriate for incorporation in the quarterly Corporate Performance Review.
8. Regarding TRE, the new Investment Policy includes a set of proposed benchmarks (mostly external indices) for each eligible asset class. The MTP performance indicators for TRE are mostly outcome indicators (e.g. principal on investments is protected) but do include the comparison of rates of return with benchmarks.
9. The MTP included a range of outcome indicators for ADM. However, in the 2011 Q4 Corporate Performance Report, there were no indicators relating to ADM activities under the relevant CMR 7, Better administrative efficiency and an enabling work and ICT environment.
10. The MTP listed mainly output indicators for HRD (with the important exception of a Staff engagement index) and mostly outcome indicators for ICT. There are only two HRD indicators that are common between the MTP and Corporate Performance Reviews: average time to fill professional vacancies; and percentage of staff who have attended at least one in-house training course in year-to-date. None of the other indicators in the MTP are monitored in the Corporate Performance Reviews. Conversely, except for the above two indicators, the staff-related indicators monitored in the reviews are not included in the MTP.

¹⁶⁰ In the CLE survey of CPMs, 23 per cent of respondents partially agreed that LEG services were satisfactory, 45 per cent of respondents agreed, 7 per cent strongly agreed, and 26 per cent disagreed. Non-PMD managers expressed a much lower level of satisfaction with LEG services, with following ratings: strongly agreed - 0 per cent, agreed - 17 per cent, partially agreed - 50 per cent, and disagreed - 33 per cent.

¹⁶¹ In the 2011 Q4 Corporate Performance Report (page 18), under CMR 9 (Effective and efficient platform for Members’ governance of IFAD) it is stated: “In SEC’s client survey, 92.2 per cent of Governing Body Representatives rated governance management and services as good or very good. Lower ratings were only related to volume and timely dispatch of documents.

11. The CLE surveys completed to date (CPMs, PTA staff, non-PMD managers, and GS staff) showed that a majority of staff were satisfied with the services of CFS, ADM, HRD and ICT. However, the satisfaction ratings were concentrated in the partially agree and agree categories, with strongly agree ratings given by only 6 per cent or less of respondents. ADM's own survey, completed earlier in 2011, showed a higher level of staff satisfaction with its services.

C. Management actions to increase efficiency

Table 5
Management actions to increase efficiency

<i>Action</i>	<i>Efficiency level</i>	<i>Efficiency gains – Sustainability and trade-offs (CLE assessment)</i>
OPV		
Development of IT-based tracking system for document flow and actions to improve decision-making.	Output	Efficiency gains are sustainable In principle, but their actual realization depends upon setting time-bound savings targets and processing times and monitoring actual performance.
CSSG – SEC		
Member States Interactive Platform launched to enable web-based communication with Executive Board.	output	As above
Pilot programme for Language Services with reduced in-house staff and increased use of external translation services.	output	As above
FOD – CFS		
Increase of 9 per cent in transaction volume in payments and payroll handled by fewer staff.	output	Sustaining efficiency gains at output level and mitigation of risk of inaccurate processing, i.e., efficiency at outcome level, require streamlining of underlying processes and setting of service standards.
Reduction of 0.5 FTE in accounting and contributions.	output	As above
Reduction of one FTE in processing of travel expense claims, and reduction in processing time.	output	As above. Travel process (including CFS and other units' activities) remains time consuming.
Processing time for withdrawal applications reduced, following transfer of 2.5 FTEs from Accounting Section.	output	As recognized by Management, significant and sustainable efficiency gains will only be realized following successful implementation of the LGS.
Reduction in travel costs of US\$0.5 million in first half of 2010, due to revised travel entitlements.	output	Gains will be sustainable, provided the new travel entitlements are maintained.
FOD – BUD		
One FTE eliminated following restructuring of former SPB Division.	output	Efficiency gain at output level will adversely impact upon BUD's efficiency at outcome level.
FOD – TRE		
Reduction in number of external fund managers (from 8 to 7) based on performance, and consolidation of investment management activities within TRE.	output and outcome	Sustainability will depend upon impact of new Investment Policy.
Increased reporting and analytic support to Management by Asset and Liability Management team, despite 50 per cent reduction in FTEs.	output and outcome	Efficiency gain at output level may adversely impact upon TRE's efficiency at outcome level. That said, medium-term results will depend upon impact of new Investment Policy.

<i>Action</i>	<i>Efficiency level</i>	<i>Efficiency gains – Sustainability and trade-offs (CLE assessment)</i>
Due to full implementation of SWIFT system, processing time in cash management was reduced, while transaction volume increased by 80 per cent (between 2004 and 2006) and FTEs were reduced by 40 per cent.	output	Sustainability of efficiency gains depends upon the level of increase in transaction volume that can be processed accurately without increasing staff.
CSD – ADM		
Enhanced economies of scale are expected in a range of services, through joint procurement with FAO and WFP and use of existing long-term agreements of other UN organizations.	output	Efficiency gains are sustainable In principle, but their actual realization depends upon setting time-bound savings targets and service standards and monitoring actual performance.
Records management (RM) savings are expected once the electronic RM system is implemented.	output	As above
Savings expected in facilities services through interagency joint tendering process, measures to reduce energy consumption, and consolidation of logistics, such as catering services.	output	As above
Savings in privileges and immunities costs through a range of measures: <ul style="list-style-type: none"> • Electronic processing of ID card requests • Outsourcing of processing of staff compensation claims • Change in staff compensation plan for illness and injury (2011 savings – US\$1 million) • Electronic debit cards for petrol purchases 		
Security enhancements to Headquarters premises.	output	As above

Sources: 2011 POW Paper and December 2011 Update on CRA Implementation

Summary of CLE surveys

1. **The CLE conducted a number of surveys to solicit the views of concerned stakeholders.** Surveys were sent to IFAD CPMs, technical staff (TS), GS staff and managers. A summary of the responses to these surveys is given in this annex. To supplement the results of the CLE surveys, the results of the IFAD Global Staff Surveys from 2006, 2008, and 2010 are cited.
2. **The CLE surveys use a scale of 1 to 6.** 1 stands for strongly disagree, 2 for disagree, 3 for partially disagree, 4 for partially agree, 5 for agree, and 6 for strongly agree. For the purposes of this summary, ratings 4, 5 and 6 have been aggregated, as have ratings 1 and 2. These aggregations provide a basic measure of whether or not the survey respondents agree with a statement, and the degree to which they agree with that statement. The responses to the Global IFAD Staff Surveys break down into favorable, neutral, and unfavorable ratings.
3. **The results are presented here by category:** HR policies and incentives; institutional efficiency; programme and programme management efficiency; strategy, effectiveness and constraints to scaling-up; and GS staff views on systems. Additional questions of interest were asked of the managers – those responses are given separately. The complete results of the CLE surveys are given in appendices 1-5, while selected results from the IFAD Global Staff Surveys are given in appendix 6.
4. **37 CPMs, 22 TS, 97 GS staff and 12 managers responded to the survey.** Not everyone responded fully.

A. HR policies and incentives

5. **Expectations of employees appear to be quite clear.** Over 90 per cent of the staff says that they understand their clients, the competencies they are expected to demonstrate, and the results they are expected to deliver. Seventy-one per cent of staff also says that they have considerable freedom of action without going to their supervisor for permission.
6. **An interesting result with regard to employee accountability arises from the surveys.** The statement, "I am held accountable by my supervisor for delivering results" receives favorable results, yet the statement, "My compensation is related to how well I do my job" receives unfavorable results. While accountability is there, this result suggests that good work goes unrewarded in terms of compensation.
7. **Only 36 per cent of TS and 43 per cent of CPMs at least partially agree that IFAD's culture, incentives and HR policies promote accountability for achieving results.** Only 16 per cent of CPMs, 14 per cent of TS, and 25 per cent of managers agree or strongly agree that IFAD's culture and policies promote accountability. GS staff tend to have a more favorable overall view of IFAD's culture, incentives, and HR policies than CPMs, TS and managers. For example, 62 per cent of GS staff believe that HR policies promote efficiency, while only 56 per cent of CPMs, 55 per cent of TS, and 42 per cent of managers agree.

IFAD's culture, incentives and HR policies promote:	CPMs (37 respondents)		TS (22 respondents)		GS (97 respondents)		Managers (12 respondents)	
	4+5+6	5+6	4+5+6	5+6	4+5+6	5+6	4+5+6	5+6
	Knowledge sharing	65	24	68	18	76	33	67
Teamwork	64	39	50	14	66	33	67	33
Efficiency in the way that programmes and services are delivered	56	14	55	14	62	29	42	25
Accountability for achieving results	43	16	36	14	N/A	N/A	50	17

Note: Responses given in percentages

8. **Promotion of innovation significantly lags the promotion of scaling-up and partnership within IFAD's culture, according to the CPMs and TS.** Seventy-two per cent of CPMs believe that scaling-up is being effectively promoted through IFAD's culture, while only 41 per cent believe the same about innovation. Managers are more positive about innovation, with 67 per cent at least partially agree that it is being effectively promoted. When one looks at the 5+6 ratings, no more than about a third of CPMs, TS, and managers agree or strongly agree that scaling-up, partnerships, or innovation are being effectively promoted.

IFAD's culture, incentives and HR policies promote:	CPMs (37 respondents)		TS (22 respondents)		Managers (12 respondents)	
	4+5+6	5+6	4+5+6	5+6	4+5+6	5+6
	Scaling-up	72	25	77	36	60
Partnership	62	19	77	36	75	33
Innovation	41	14	55	9	67	25

Note: Responses given in percentages

9. **According to the staff, the most significant problem in HR policies is the incentive structure.** In the IFAD Global Staff Survey, the two statements with the most unfavorable ratings were, "In IFAD, the best-qualified staff members are promoted" and, "IFAD adequately rewards staff members who exhibit outstanding performance," to which 63 per cent of the staff gave unfavorable responses.

Question	Favorable	Neutral	Unfavorable
In IFAD, the best-qualified staff members are promoted	9	28	63
IFAD adequately rewards staff members who exhibit outstanding performance	10	27	63
IFAD's human resources policies are applied to staff in a fair and transparent manner by the Human Resources Division (HRD)	17	21	62
IFAD provides effective mechanisms for staff to resolve conflicts and have grievances heard	16	28	56
I have adequate opportunity to advance my career	19	28	54
Corrective actions are taken when employees do not meet performance standards	20	27	53
My compensation is related to how well I do my job	23	26	51
IFAD is able to attract and retain high-quality people	29	31	40
Promotion recommendations are made by line supervisors on an objective and performance-related basis	34	26	40

Note: Responses given in percentages

B. Institutional efficiency

10. **The survey results suggest that the strongest agreement across groups is that internal processes are a major hindrance to institutional efficiency in IFAD.** In the CLE survey, nearly 100 per cent of both CPMs and TS at least partially agree that time-consuming administrative work makes institutional efficiency suffer significantly, with 86 per cent of CPMs and 89 per cent of TS agreeing or strongly

agreeing. Institutional efficiency is also hurt by cumbersome internal decision-making processes, according to 97 per cent of CPMs, 100 per cent of TS and 75 per cent of managers. Slow implementation of decisions was also cited as a problem by 95 per cent of TS, 85 per cent of GS staff, 77 per cent of CPMs, and 92 per cent of managers.

11. **In the IFAD Global Staff Survey, the statement, “IFAD internal procedures are efficient” receives a 60 per cent unfavorable rating, which is one of the worst ratings in the survey.** This rating shows a downward trend from 35 per cent in 2008. In addition, only 35 per cent of IFAD staff agree that there are strong incentives within their divisions to increase efficiency.

IFAD's institutional efficiency suffers significantly due to:	CPMs (37 respondents)		TS (22 respondents)		GS staff (97 respondents)		Managers (12 respondents)	
	4+5+6	5+6	4+5+6	5+6	4+5+6	5+6	4+5+6	5+6
Time-consuming administrative processes	100	86	100	89	88	64	92	67
Cumbersome internal decision-making processes	97	88	100	68	91	61	75	67
Slow implementation of decisions	77	49	95	63	85	57	92	67

Note: Responses given in percentages

C. Programme and programme management efficiency

12. **Contrary to most other portions of the CLE survey, CPMs and TS have different views on programmes and programme management.** They agree that there is inadequate capacity in client countries, unduly complex procedures for processing small grants, and excessive focus by PTA on QE reviews rather than on direct support to the CPMT during project preparation. However, they disagree on several other issues.
13. **The strongest disagreement between CPMs and TS comes on the topic of COSOPs. Seventy-nine per cent of CPMs agree that too much effort is being spent on preparing and reviewing COSOPs, while only 16 per cent of TS agree.** Eighty-nine per cent of CPMs agree that too much effort is devoted to preparation and reviews of IFAD policies, strategies and guidelines, while only 42 per cent of TS agree. Another significant disagreement comes on the statement “IFAD's institutional efficiency suffers significantly due to excessive use of consultants rather than staff in operations.” Sixty-eight per cent of TS agree that consultants are used excessively, while only 35 per cent of CPMs agree.

IFAD's institutional efficiency suffers significantly due to:	CPMs (37 respondents)		TS (22 respondents)	
	4+5+6	5+6	4+5+6	5+6
Unduly complex procedures for processing small grants	91	60	82	53
Too much effort devoted to preparation and review of IFAD policies, strategies and guidelines	89	63	42	32
Excessive focus by PTA on QE reviews rather than on direct support to the CPMT during project preparation	85	68	84	58
Inadequate capacity in client countries, which leads to higher preparation and supervision costs for IFAD	81	47	89	42
Too much effort devoted to preparing and reviewing COSOPs	79	35	16	11
Lack of suitable instruments to finance project preparation in client countries leading to higher preparation costs for IFAD	74	44	83	44
Inadequate supervision of the grants portfolio	71	34	83	39
Slow progress in outposting of CPMs to the field	53	32	79	53
Excessive use of consultants rather than staff in operations.	35	21	68	37

Note: Responses given in percentages

14. **CPMs and TS agree that a significant hindrance to project efficiency is restrictions from governments and other institutions.** Ninety-four per cent of CPMs and 89 per cent of TS agree that project efficiency suffers due to political interference in the appointment and retention of key staff. Ninety-one per cent of CPMs and 83 per cent of TS agree that project efficiency suffers due to cumbersome government decision-making processes. Differing procedures with cofinanciers is also a problem, according to 95 per cent of TS and 84 per cent of CPMs. Problems with project efficiency are also found internally, as 65 per cent of CPMs and 68 per cent of TS agree that internal pressures lead to projects being too complex.

Efficiency of IFAD-supported projects suffers significantly due to:	CPMs (37 respondents)		TS (22 respondents)	
	4+5+6	5+6	4+5+6	5+6
Political interference in the appointment and retention of key staff	94	53	89	37
Cumbersome government decision-making processes related to project preparation, approval and implementation in countries that I am familiar with	91	63	83	44
Complications due to differing procedures of various cofinanciers	84	48	95	47
Lack of proactive portfolio management including timely restructuring of poorly performing projects	67	24	84	37
Inadequate readiness for implementation at project approval stage	56	19	78	33
Excessive costs of project management units	36	15	50	11

Note: Responses given in percentages

15. **CPMs and TS have some disagreement as to how to improve the analysis of project efficiency.** Ninety-five per cent of TS believe that CPMs need heightened awareness concerning the importance of efficiency analysis in project design, while only 66 per cent of CPMs agree. Secondly, 84 per cent of TS believe that greater attention needs to be paid to economic analysis and logframes during managerial reviews, while only 56 per cent of CPMs agree.

There is significant scope for improving the analysis of project efficiency by:	CPMs (37 respondents)		TS (22 respondents)	
	4+5+6	5+6	4+5+6	5+6
Improving methodological guidelines for analysis of project efficiency	75	34	84	37
Improving skills in the task teams for economic analysis and logframes	73	35	84	37
Improving awareness of CPMs concerning importance of efficiency analysis in project design	66	34	95	37
Greater attention to economic analysis and logframes during managerial reviews	56	28	84	37
Giving attention to analysis of project efficiency during the design stage	52	12	72	44

Note: Responses given in percentages

D. Strategy, effectiveness and constraints to scaling-up

16. **Although IFAD's effectiveness gets fairly favorable ratings from the staff, the staff advocates specific measures for improvement in this category.** Paying greater attention to scaling-up through partners, and mining and disseminating knowledge generated through IFAD's programmes and services were the two methods of effectiveness improvement that received very high ratings. On the other hand, taking on smaller but more frequent projects was an idea that met strong disagreement, with 81 per cent of TS disapproving. TS, as well as CPMs, would prefer taking on fewer but larger projects.
17. **CPMs and TS both want to set the bar high for IFAD's effectiveness.** Ninety-seven per cent of CPMs and 95 per cent of TS at least partially agree that IFAD should aim to be the global leader in smallholder agriculture and rural poverty, with 86 per cent of CPMs and 76 per cent of TS agreeing or strongly agreeing.

Furthermore, 80 per cent of CPMs and 79 per cent of TS at least partially agree that “moderately satisfactory” ratings for IFAD’s projects and programmes are simply not good enough. They agree that IFAD should attempt to achieve “satisfactory” ratings or better.

18. **CPMs and TS both agree that grants need to be linked further to IFAD’s investment portfolio.** Only 12 per cent of CPMs and no TS agree or strongly agree that regional and global grants are adequately linked to the portfolio.

	CPMs (37 respondents)		TS (22 respondents)	
	4+5+6	5+6	4+5+6	5+6
IFAD should aim to be the global leader in smallholder agriculture and rural poverty	97	86	95	76
IFAD has the skills and resources to be the global leader in smallholder agriculture and rural poverty	66	14	67	24
For IFAD to be recognized as a leader, a “moderately satisfactory” ratings for its projects and programmes is simply not good enough; the goal should be at least “satisfactory” at completion	80	69	79	68
IFAD’s effectiveness would be increased by greater attention to mining and disseminating knowledge generated through its programmes and services	100	69	100	80
IFAD’s effectiveness would be increased by fewer but larger projects	61	36	76	43
IFAD’s effectiveness would be increased by smaller but more frequent projects	24	12	19	10
IFAD-funded grants have generated significant innovations for promoting IFAD goals in countries that I am familiar with	63	34	76	38
Regional and global grants funded by IFAD are adequately linked to the investment portfolio	39	12	35	0

Note: Responses given in percentages

19. **Eighty-three per cent of CPMs and 89 per cent of TS at least partially agree that IFAD’s effectiveness would be increased by greater attention to scaling-up through partners.** While most CPMs and TS at least partially agree that IFAD has had good success in influencing partners to scale-up IFAD innovations, only 14 per cent agree or strongly agree, indicating that there is significant room for improvement. CPMs and TS agree that the most significant constraint to scaling-up is inadequate resources, including staff time for promoting and marketing innovations to external and country partners. The two groups disagree when it comes to a lack of innovations emerging from projects; 39 per cent of CPMs agree this is a problem, compared to 58 per cent of TS.

	CPMs (37 respondents)		TS (22 respondents)	
	4+5+6	5+6	4+5+6	5+6
IFAD has had good success in influencing our external partners (other IFIs, bilaterals, large NGOs) to scale-up IFAD-generated innovations in countries that I am familiar with	86	14	71	14
IFAD’s effectiveness would be increased by greater attention to scaling-up through partners	83	40	89	79
Constraints to scaling-up of IFAD-supported projects reflect:				
Inadequate resources including staff time for promoting and marketing the innovations to external and country partners	86	51	100	58
Lack of interest among external partners (other IFIs, bilaterals, private sector, large NGOs) to follow up on someone else’s idea	55	30	58	26
Scarcity of significant innovations emerging out of IFAD-supported projects	39	12	58	21

Note: Responses given in percentages

20. **CPMs and TS have some disagreement as to how to improve the analysis of project efficiency.** Ninety-five per cent of TS believe that CPMs need heightened awareness concerning the importance of efficiency analysis in project design, while only 66 per cent of CPMs agree. Secondly, 84 per cent of TS believe that greater attention needs to be paid to economic analysis and logframes during managerial reviews, while only 56 per cent of CPMs agree.

<i>There is significant scope for improving the analysis of project efficiency by:</i>	CPMs (37 respondents)		TS (22 respondents)	
	4+5+6	5+6	4+5+6	5+6
Improving methodological guidelines for analysis of project efficiency	75	34	84	37
Improving skills in the task teams for economic analysis and logframes	73	35	84	37
Improving awareness of CPMs concerning importance of efficiency analysis in project design	66	34	95	37
Greater attention to economic analysis and logframes during managerial reviews	56	28	84	37
Giving attention to analysis of project efficiency during the design stage	52	12	72	44

Note: Responses given in percentages

E. GS staff views on systems

21. **According to GS staff, some IFAD administrative systems lag others in performance.** Administrative support for training, ICT, and travel arrangements in particular underperform the others, with over a third of GS staff disagreeing that those systems are adequate for them to fulfill their responsibilities. None of the systems get particularly good reviews when looking at the “agree” and “strongly agree” ratings. Less than half of GS staff gives those ratings to any of the systems that were mentioned in the survey.

<i>(GS staff) The systems in:</i>	4+5+6	5+6
Financial transaction processing are adequate for me to effectively fulfill my responsibilities	84	47
Administrative procurement are adequate for me to effectively fulfill my responsibilities	77	41
Processing of official documents are adequate for me to effectively fulfill my responsibilities	75	43
Budget monitoring and reporting are adequate for me to effectively fulfill my responsibilities	72	34
HR transaction processing are adequate for me to effectively fulfill my responsibilities	68	37
Administrative support to country offices are adequate for me to effectively fulfill my responsibilities	68	29
Consultant hiring is adequate for me to effectively fulfill my responsibilities	67	36
Administrative support for training is adequate for me to effectively fulfill my responsibilities	64	34
ICT is adequate for me to effectively fulfill my responsibilities	63	33
Travel arrangements are adequate for me to effectively fulfill my responsibilities	62	34

Note: Responses given in percentages

F. Survey of managers

IFAD's institutional efficiency in using its administrative budget

22. **All IFAD managers surveyed at least partially agree that IFAD's Medium-term Plan adequately captures their department's goals and targets, though only half agree or strongly agree.** Interestingly, all of the managers surveyed at least partially agree that the number of staff directly reporting to them

is appropriate given their department's work programme, but only half agree that the number of positions in their department is appropriate given its work programme.

<i>IFAD's institutional efficiency in using its administrative budget</i>	<i>4+5+6</i>	<i>5+6</i>
IFAD's Medium-term Plan adequately captures my department's/division's goals and targets	100	50
The number of staff directly reporting to me (span of control) is appropriate given my department's/division's work programme	100	75
IFAD's institutional efficiency suffers significantly due to UN system policies and procedures (e.g. "One UN" pilot, follower of ICSC for staff salaries and compensation, etc.)	67	42
The number of positions of my department/division is appropriate given its work programme	50	25

Note: Responses given in percentages

Resources and support from within IFAD

23. **Sixty-four per cent of the managers surveyed at least partially agree that their department's budget provides adequate resources to carry out its work programme efficiently, but only 27 per cent agree or strongly agree.** Resources and support for IT and communications and monitoring of work programmes get the highest ratings. However, only 36 per cent of managers surveyed agree or strongly agree that staff appointment and development receive adequate resources and support from IFAD, and only 27 per cent agree or strongly agree that legal advice gets adequate resources and support.

<i>Managers on resources and support from within IFAD</i>	<i>4+5+6</i>	<i>5+6</i>
IT & Communications	91	55
Monitoring of work programmes	89	67
Staff appointment	73	36
Consultant hiring	73	64
Travel	73	64
Budget preparation	73	36
Budget monitoring	73	55
Budget execution	73	55
Staff development	64	36
Legal advice	64	27
My department's/division's budget provides adequate resources to carry out its work programme effectively	64	27

Note: Responses given in percentages

Performance indicators

24. **One hundred per cent of managers are positive that indicators are measurable, achievable, realistic, and cover a defined timeframe for monitoring and reporting, yet only 50 per cent at least partially agree that indicators have the ability to help them achieve IFAD's strategic priorities.** Additionally, only 60 per cent of managers surveyed at least partially agree that the indicators were helping them to manage their division. This percentage falls to 40 per cent when looking only at responses of "agree" and "strongly agree." Similarly, 50 per cent of managers at least partially agree that indicators are helping them to achieve IFAD's strategic priorities. This percentage falls to 30 per cent when looking only at responses of "agree" and "strongly agree."

<i>The performance indicators and targets used to measure and monitor my department's/division's performance:</i>	4+5+6	5+6
are measurable	100	64
are achievable	100	55
are realistic	100	64
cover a defined timeframe for monitoring and reporting	100	82
are specific	82	55
adequately capture IFAD's exposure to risks in work programme execution	73	55
are helping me to manage my division	60	40
are helping me to achieve IFAD's strategic priorities	50	30

Note: Responses given in percentages

G. Survey of Board Members

25. As discussed in the main text, one of the important characteristics of the Board is that a majority of them (80 per cent) are based in Rome.
26. Many respondents are satisfied with their own ability to exercise oversight and provide strategic guidance. However, more than half of the respondents only partially agree or partially disagree; the opinion on the adequate functioning of the Board as a whole is similar, but with a higher percentage (23) in partial disagreement about the adequacy of oversight as compared with the adequacy of strategic guidance (6).
27. A majority of respondents regard the Board agenda as meeting the requirements for efficient functioning. However, a large minority only partially agrees or disagrees; a large majority regards the annual number of meetings as adequate; some however would favor a fourth meeting, possibly back-to-back with the GC.
28. On the question of the desirability of a terms of reference for Board representatives, the respondents strongly differ. A majority at least partially agrees that a TOR would be useful and 28 per cent even feel this strongly; a large minority of 44 per cent at least partially disagrees.
29. Opinions are divided on whether delegation to Management should be increased; more than half of the respondents would at least partially disagree (14 per cent strongly). A significant majority agrees at least partially that the present limit of US\$15 million for lapse-of-time decisions is about right; one written comment clearly expresses the wish for a higher limit in order to gain time for the discussion of strategic issues; an overwhelming majority would disagree with full delegation of approval of loan-financed projects to the President.
30. A very large majority finds the discussion of COSOPs useful and a large majority regards the support of the Audit Committee (AC) and the Evaluation Committee (EC) to the Board as effective. The AC is rated as useful by more than 90 per cent of respondents and as very useful by the remainder; its agenda is regarded as correctly focused on major issues of oversight and risk management; 45 per cent of the AC members are satisfied with the attention they are able to give to IFAD's POWB but another 45 per cent are only partially satisfied, while 9 per cent are partially dissatisfied. The EC gets a somewhat lower but still very high rating for usefulness and a more qualified agreement with its agenda (almost 60 per cent regard this as only partially focused on major issues of development effectiveness).
31. There is agreement among the great majority of respondents (more than 80 per cent) that IOE's interaction with Management at EC meetings is helpful for gaining insight into the lessons learned and major issues that need to be addressed moving forward, with the remaining 17 per cent in partial agreement.

32. More than 75 per cent of respondents regard the discussion of RIDE, ARRI and PRISMA as essential for Board oversight and understanding of IFAD's development effectiveness. The remainder is in only partial agreement or disagreement.
33. On the topical question of the desirability of a cooling-off period before Board representatives can enter into the service of IFAD, opinions differ: a large majority of over 70 per cent agrees (19 per cent strongly; 19 per cent partially); a minority of a quarter disagrees (half of which strongly); in the written comments no reference is made to the potential incompatibility between oversight duties of Board members and no cooling off.
34. A large majority (82 per cent) regards annual country visits by the EC as important. More than 60 per cent would like to see these complemented by Board visits (13 per cent disagree or strongly disagree and another 25 per cent partially disagree or agree).
35. One hundred per cent of respondents agreed or strongly agreed (12 per cent) that SEC provides efficient service to the Board and its committees. The response to the question on how to improve SEC services was that it was skipped by 18 of the 20 respondents; the two who answered had no suggestions.
36. The Board is divided on economizing on translation and interpretation services by only translating executive summaries of documents into the other working languages and by ending the interpretation into these languages in Board meetings. Strong agreement and disagreement were expressed by significant numbers of respondents (see also the paragraph on SEC); however, a large majority is in favor of using English as the only working language in the AC, but with 20 per cent opposed or strongly opposed.
37. The opinion on the efficiency of LEG's services covers a spectrum from 31 per cent satisfaction to 37 per cent dissatisfaction, including 12 per cent strong disagreement with the efficiency of provision. Similar percentages apply to the opinions on clarity of the documents provided and whether they provide necessary guidance; a majority agrees or partially agree that LEG is helpful when a Board member encounters a problem, but more than 30 per cent partially, wholly or strongly (8 per cent) disagrees. This question was skipped by 7 of the 20 respondents.
38. The GC 2012 received a broadly positive rating from respondents. However more than two thirds at least partially found the agenda overloaded. Additionally, 86 per cent of respondents (with 6 skipping the question) would be in favor of convening the GC every two years instead of annually.
39. A majority would agree, at least partially, that the GC should delegate the approval of the annual administrative budget to the Board. But with a significant minority of one third disagreeing, at least partially, a broadly similar picture emerges for the delegation of the laying down by the GC of financing policies and rules.
40. The tri-annual RCs are regarded as an efficient way of mobilizing resources by IFAD by a significant majority. An overwhelming majority regarded the conduct of the Ninth Replenishment as efficient, with 13 per cent in strong agreement.

Table 1

		CPMs (as percentage; 37 respondents)				TS (as percentage; 22 respondents)				GS staff (as percentage; 97 respondents)				Managers (as percentage; 12 respondents)			
		1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6
1	Internal pressures (e.g. too many priorities, limited number of projects per country, etc.) lead to projects being too complex	22	35	65	27	18	32	68	23								
	HR Policies																
	IFAD's culture, incentives and HR policies promote:																
2	accountability for achieving results	41	57	43	16	32	64	36	14					13	38	50	17
3	innovation	38	59	41	14	27	45	55	9	26	36	64	34	17	22	67	25
4	partnership	22	38	62	19	5	23	77	36					6	18	75	33
5	scaling-up	17	28	72	25	14	23	77	36					7	29	60	30
6	efficiency in the way that programmes and services are delivered	25	44	56	14	14	45	55	14	23	38	62	29	32	32	42	25
7	teamwork	19	36	64	39	27	50	50	14	17	34	66	33	11	22	67	33
8	knowledge sharing	18	35	65	24	23	32	68	18	14	24	76	33	12	24	67	25
	Effectiveness																
9	IFAD should aim to be the global leader in small holder agriculture and rural poverty	3	3	97	86	0	5	95	76								
10	IFAD has the skills and resources to be the global leader in small holder agriculture and rural poverty	20	34	66	14	14	33	67	24								
11	IFAD funded grants have generated significant innovations for promoting IFAD goals in countries that I am familiar with	29	37	63	34	10	24	76	38								
12	IFAD has had good success in influencing our external partners (other IFIs, bilaterals, large NGOs) to scale-up IFAD-generated innovations in countries that I am familiar with	3	14	86	14	19	29	71	14								
	In countries I am familiar with, IFAD's effectiveness would be increased by:																
13	fewer but larger projects	15	39	61	36	5	24	76	43								
14	smaller but more frequent projects	42	76	24	12	67	81	19	10								
15	greater attention to scaling-up through partners	9	17	83	40	5	11	89	79								

	1 = Strongly disagree 2 = Disagree 3 = Partially disagree	4 = Partially agree 5 = Agree 6 = Strongly agree	CPMs (as percentage; 37 respondents)				TS (as percentage; 22 respondents)				GS staff (as percentage; 97 respondents)				Managers (as percentage; 12 respondents)			
			1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6
16	greater attention to mining and disseminating knowledge generated through its programmes and services		0	0	100	69	0	0	100	80								
17	For IFAD to be recognized as a leader, a "moderately satisfactory" ratings for its projects and programmes is simply not good enough; the goal should be at least "satisfactory" at completion		11	20	80	69	11	21	79	68								
18	Regional and global grants funded by IFAD are adequately linked to the investment portfolio		39	61	39	12	35	65	35	0								

		CPMs (as percentage; 37 respondents)				TS (as percentage; 22 respondents)				GS staff (as percentage; 97 respondents)				Managers (as percentage; 12 respondents)			
		1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6
	Institutional efficiency																
	IFAD's institutional efficiency suffers significantly due to:																
19	cumbersome internal decision-making processes	3	3	97	88	0	0	100	68	2	9	91	61	5	14	75	67
20	slow implementation of decisions	9	23	77	49	0	5	95	63	7	15	85	57	0	5	92	67
21	time-consuming administrative processes	0	0	100	86	0	0	100	89	3	13	88	64	0	5	92	67
22	UN system policies and procedures (e.g. "One UN" pilot)	24	47	53	15	16	32	68	37	36	53	47	15	19	19	67	42
23	inadequate capacity in client countries leading to higher preparation and supervision costs for IFAD	6	19	81	47	5	11	89	42								
24	lack of suitable instruments to finance project preparation in client countries leading to higher preparation costs for IFAD	12	26	74	44	0	17	83	44								
25	slow progress in outposting of CPMs to the field	32	47	53	32	16	21	79	53								
26	excessive use of consultants rather than staff in operations	44	65	35	21	16	32	68	37								
27	too much effort devoted to preparation and reviews of IFAD policies, strategies and guidelines	6	11	89	63	21	58	42	32								
28	too much effort devoted to preparing and reviewing COSOPs	15	21	79	35	47	84	16	11								
29	unduly complex procedures for processing small grants	9	9	91	60	6	18	82	53								
30	inadequate supervision of the grants portfolio	14	29	71	34	6	17	83	39								
31	excessive focus by PTA on QE reviews rather than on direct support to the CPMT during project preparation	9	15	85	68	11	16	84	58								

		CPMs (as percentage; 37 respondents)				TS (as percentage; 22 respondents)				GS staff (as percentage; 97 respondents)				Managers (as percentage; 12 respondents)			
		1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6
Constraints to scaling-up																	
Constraints to scaling-up of IFAD-supported projects reflect:																	
32	scarcity of significant innovations emerging out of IFAD-supported projects	42	61	39	12	32	42	58	21								
33	lack of interest among external partners (other IFIs, bilaterals, private sector, large NGOs) to follow up on someone else's idea	24	45	55	30	26	42	58	26								
34	inadequate resources including staff time for promoting and marketing the innovations to external and country partners	6	14	86	51	0	0	100	58								
Project efficiency																	
Efficiency of IFAD-supported projects suffers significantly due to:																	
35	cumbersome government decision-making processes related to project preparation, approval and implementation in countries that I am familiar with	3	9	91	63	0	17	83	44								
36	political interference in the appointment and retention of key staff	6	6	94	53	0	11	89	37								
37	complications due to differing procedures of various cofinanciers	6	16	84	48	0	5	95	47								
38	inadequate readiness for implementation at project approval stage	19	44	56	19	6	22	78	33								
39	excessive costs of project management units	24	64	36	15	22	50	50	11								
40	lack of proactive portfolio management including timely restructuring of poorly performing projects	24	33	67	24	11	16	84	37								
41	inadequate attention to analysis of project efficiency during the design stage	27	48	52	12	6	28	72	44								

		CPMs (as percentage; 37 respondents)				TS (as percentage; 22 respondents)				GS staff (as percentage; 97 respondents)				Managers (as percentage; 12 respondents)			
		1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6	1+2	1+2+3	4+5+6	5+6
Project efficiency analysis																	
There is significant scope for improving the analysis of project efficiency by:																	
42	improving methodological guidelines for analysis of project efficiency	13	25	75	34	5	16	84	37								
43	improving skills in the task teams for economic analysis and logframes	15	27	73	36	11	16	84	37								
44	greater attention to economic analysis and logframes during managerial reviews	31	44	56	28	11	16	84	37								
45	improving awareness of CPMs concerning importance of efficiency analysis in project design	16	34	66	34	0	5	95	37								

Table 2
Results of additional questions in the survey of country programme managers (as percentage; 37 respondents)

		1+2	1+2+3	4+5+6	5+6
CPM-1	The authority delegated to me is adequate to do my job effectively	5	8	92	73
CPM-2	Adequate support is available for procurement	38	59	41	28
CPM-3	Adequate support is available for processing loan withdrawal applications	9	19	81	66
CPM-4	Adequate support is available for operational travel	16	26	74	61
CPM-5	Adequate support is available for consultant hiring	25	41	59	25
CPM-6	Adequate support is available for information and communication technology	26	35	65	29
CPM-7	Adequate support is available for legal advice	16	26	74	52
CPM-8	Adequate support is available for managing country office logistics	38	48	52	28
CPM-9	Adequate support is available for budget monitoring	17	27	73	50
CPM-10	My budget and other resources (including staff time) are adequate to carry out my work programme effectively	31	59	41	22
CPM-11	IFAD's culture, incentives and HR policies promote learning and skills development	30	41	59	24
CPM-12	COSOPs have proven to be a highly useful instrument for deciding on thematic/subsectoral priorities for IFAD support	12	29	71	38
CPM-13	COSOPs have proven to be a highly useful instrument for project selection and design	15	29	71	29
CPM-14	COSOPs have proven to be a highly useful instrument for grants selection	35	62	38	0
CPM-15	Efficiency of IFAD-supported projects suffers significantly due to inadequate government capacity to manage project-related procurement in countries that I am familiar with	18	18	82	47
CPM-16	Efficiency of IFAD-supported projects suffers significantly due to inadequate attention in project designs to client implementation capacity limitations	16	38	63	38

Table 3
Results of additional questions in the survey of technical staff (as percentage; 22 respondents)

		1+2	1+2+3	4+5+6	5+6
TS-1	The support available to me in consultant hiring is adequate for me to perform my job effectively	11	32	68	21
TS-2	The support available to me in operational travel is adequate for me to perform my job effectively	5	11	89	58
TS-3	The support available to me in information technology and communications is adequate for me to perform my job effectively	5	21	79	58
TS-4	In countries I am familiar with, IFAD's effectiveness would be increased by fewer but larger grants	14	57	43	43
TS-5	The GSR ratings realistically portray the status of the grants portfolio	20	35	65	15
TS-6	In countries that I am familiar with, IFAD effectiveness would increase by shifting resources towards global and regional grants	20	50	50	15
TS-7	In countries that I am familiar with, IFAD effectiveness would increase by shifting resources towards country-specific grants	5	47	53	16
TS-8	In countries that I am familiar with, IFAD effectiveness would increase by shifting resources towards loans (including DSF grants)	15	40	60	15
TS-9	The benchmarks used in ex post evaluations for assigning "highly satisfactory" ratings to IFAD-supported projects and programmes are unrealistically high	6	17	83	28
TS-10	Efficiency of IFAD-supported projects suffers significantly due to inadequate government capacity for financial management and accounting in countries that I am familiar with	11	28	72	33
TS-11	Efficiency of IFAD-supported projects suffers significantly due to inadequate government capacity to manage project-related procurement in countries that I am familiar with	11	17	83	39

Table 4
Results of additional questions in the survey of GS staff (as percentage; 97 respondents)

		1+2	1+2+3	4+5+6	5+6
GS-1	My responsibilities are specific and known to me	4	7	93	81
GS-2	My manager has delegated adequate authority to me to do my job effectively	4	8	92	76
GS-3	Internal pressures result in too many priorities that adversely affect the efficiency of my own work	21	31	69	39
GS-4	Communications between my department/division and other parts of IFAD are clear and timely	16	33	67	31
GS-5	Communications within my department/division are clear and timely	8	20	80	52
GS-6	Culture and incentives in IFAD promote learning and skills development	21	30	70	39
GS-7	IFAD's efficiency suffers significantly due to too many IFAD policies and guidelines	9	25	75	45
GS-8	The systems in consultant hiring are adequate for me to effectively fulfill my responsibilities	19	33	67	36
GS-9	The systems in HR transaction processing are adequate for me to effectively fulfill my responsibilities	17	32	68	37
GS-10	The systems in financial transaction processing are adequate for me to effectively fulfill my responsibilities	5	16	84	47
GS-11	The systems in administrative procurement are adequate for me to effectively fulfill my responsibilities	14	23	77	41
GS-12	The systems in processing of official documents are adequate for me to effectively fulfill my responsibilities	11	25	75	43
GS-13	The systems in travel arrangements are adequate for me to effectively fulfill my responsibilities	26	38	62	34
GS-14	The systems in Information and Communication Technology are adequate for me to effectively fulfill my responsibilities	17	37	63	33
GS-15	The systems in administrative support for training are adequate for me to effectively fulfill my responsibilities	23	36	64	34
GS-16	The systems in administrative support to country offices are adequate for me to effectively fulfill my responsibilities	19	32	68	29
GS-17	The systems in budget monitoring and reporting are adequate for me to effectively fulfill my responsibilities	12	28	72	34

Table 5
Results of additional questions in the survey of managers (as percentage; 97 respondents)

		1+2	1+2+3	4+5+6	5+6
M-1	The authority delegated to me is adequate to do my job effectively	0	0	100	75
M-2	Internal pressures (e.g. too many priorities, limited number of slots in country programme) lead to projects being too complex	11	11	82	45
M-3	IFAD's culture, incentives and HR policies promote efficiency in the way that programmes and services are delivered	32	32	42	25
M-4	IFAD's culture, incentives and HR policies promote learning and skills development	11	16	75	42
M-5	IFAD's Medium-term Plan adequately captures my department's/division's goals and targets	0	0	100	50
M-6	The number of positions of my department/division is appropriate given its work programme	21	32	50	25
M-7	The number of staff directly reporting to me (span of control) is appropriate given my department's/division's work programme	0	0	100	75
M-8	The performance indicators and targets used to measure and monitor my department's/division's performance are helping me to manage my division	18	24	60	40
M-9	The performance indicators and targets used to measure and monitor my department's/division's performance are helping me to achieve IFAD's strategic priorities	13	33	50	30
M-10	The performance indicators and targets used to measure and monitor my department's/division's performance are specific	11	11	82	55
M-11	The performance indicators and targets used to measure and monitor my department's/division's performance are measurable	0	0	100	64
M-12	The performance indicators and targets used to measure and monitor my department's/division's performance are achievable	0	0	100	55
M-13	The performance indicators and targets used to measure and monitor my department's/division's performance are realistic	0	0	100	64
M-14	The performance indicators and targets used to measure and monitor my department's/division's performance cover a defined timeframe for monitoring and reporting	0	0	100	82
M-15	The performance indicators and targets used to measure and monitor my department's/division's performance adequately capture IFAD's exposure to risks in work programme execution	11	16	73	55
M-16	HR policies and procedures provide adequate guidance for managing staff	11	17	75	33
M-17	HR policies and procedures encourage the professional development of staff	6	22	67	42
	Resources and support from within IFAD:				
M-18	Staff appointment	6	19	73	36
M-19	Staff development	12	24	64	36

		1+2	1+2+3	4+5+6	5+6
M-20	Management of underperforming staff	15	25	55	55
M-21	Consultant hiring	10	15	73	64
M-22	Travel	14	14	73	64
M-23	IT & Communications	6	6	91	55
M-24	Legal advice	18	24	64	27
M-25	Budget preparation	17	17	73	36
M-26	Budget monitoring	11	16	73	55
M-27	Budget execution	11	16	73	55
M-28	Monitoring of work programmes	0	7	89	67
M-29	My department's/division's budget provides adequate resources to carry out its work programme effectively	22	22	64	27

Table 6
Selected results from IFAD global staff surveys (2006, 2008, 2010; as percentage)

Question	2010			2008			2006		
	Favorable	Neutral	Unfavorable	Favorable	Neutral	Unfavorable	Favorable	Neutral	Unfavorable
1 IFAD Senior Management has been working to implement important changes consistent with the result of the 2008 Global Staff Survey	23	35	42	35	34	31	N/A	N/A	N/A
2 I believe that IFAD's Senior Management Team will respond constructively to the results of this survey	28	31	41	36	33	31	38	29	33
3 I have confidence in IFAD's Senior Management	23	33	45	29	38	33	35	35	30
4 IFAD's human resources policies are applied to staff in a fair and transparent manner by the Human Resources Division (HRD)	17	21	62	17	25	58	15	23	62
5 IFAD's HRD processes staff entitlements in a fair and transparent manner as per the HR Procedures Manual	26	30	44	25	33	42	29	28	44
6 IFAD provides effective mechanisms for staff to resolve conflicts and have grievances hear	16	28	56	21	34	46	19	22	59
7 IFAD's HR policies in general are applied in a fair and consistent manner by the Departmental Management Team corresponding to my division	26	32	42	26	35	39	24	33	43
8 IFAD is able to attract and retain high-quality people	29	31	40	29	30	40	25	34	41
9 In my division there are strong incentives to increase efficiency	35	29	36	36	28	36	32	24	44
10 IFAD's Strategic Framework is effective in guiding programme decisions	38	43	19	41	41	19	36	44	20
11 Overall, my division is effective in accomplishing its objectives	77	15	8	72	20	8	68	17	15
12 IFAD internal procedures are efficient	12	27	60	37	28	35	N/A	N/A	N/A
13 I have a good understanding of who our clients are	95	3	2	95	4	1	95	4	2
14 I understand the results I am expected to deliver	90	6	4	90	6	4	86	6	8

Question	2010			2008			2006		
	Favorable	Neutral	Unfavorable	Favorable	Neutral	Unfavorable	Favorable	Neutral	Unfavorable
15 I am held accountable by my supervisor for delivering those results	90	7	3	89	6	5	87	7	6
16 I have considerable freedom of action without going to my supervisor for permission	71	14	15	67	17	16	66	15	19
17 My job contributes to the achievement of IFAD's goals	89	9	2	91	8	1	90	9	1
18 My division works consistently toward achieving long-term objectives	78	13	9	73	20	7	71	19	11
19 The objectives of my division are clearly linked to IFAD's Strategic Framework	81	15	4	80	17	3	77	18	6
20 My work objectives are clearly linked to the Management Development Plans in line with IFAD's Strategic Framework.	79	16	5	74	20	6	72	24	5
21 Promotion recommendations are made by line supervisors on an objective and performance-related basis	34	26	40	34	28	37	32	26	41
22 In IFAD, the best-qualified staff members are promoted	9	28	63	9	29	62	7	27	66
23 My division assigns the right people to the job	40	35	26	38	33	30	33	35	32
24 My supervisor actively supports innovation and work improvement.	80	11	9	76	14	10	N/A	N/A	N/A
25 My supervisor encourages openness and trust	76	14	10	72	13	14	71	11	18
26 My supervisor treats me with respect.	82	10	8	79	10	11	82	8	10
27 My supervisor would support me if I had special needs in my family or personal life.	88	9	3	84	10	6	84	10	6
28 My supervisor encourages me to share my knowledge with others	83	12	5	80	13	7	80	12	8
29 I know the competencies I am expected to demonstrate in my job.	93	5	2	93	5	3	91	5	3
30 IFAD adequately rewards staff members who exhibit outstanding performance	10	27	63	16	31	53	18	26	55
31 My compensation is related to how well I do my job	23	26	51	21	26	54	20	23	57

Question	2010			2008			2006		
	Favorable	Neutral	Unfavorable	Favorable	Neutral	Unfavorable	Favorable	Neutral	Unfavorable
32 Corrective actions are taken when employees do not meet performance standards	20	27	53	17	24	59	16	26	58
33 I am satisfied with the recognition I receive for doing a good job	37	29	33	42	26	33	39	24	37
34 My work gives me a feeling of personal accomplishment	77	13	10	72	17	11	72	14	13
35 The workload is distributed fairly in my division	32	24	44	29	32	40	34	23	42
36 I have adequate opportunity to advance my career	19	28	54	24	26	50	19	27	54
37 I am treated with respect at work	77	15	8	77	13	10	75	13	11
38 I am encouraged to respect cultural differences in my division	81	16	3	80	15	5	75	17	8

Table 7
Results from the Executive Board Survey (percentage)

Question	1&2	1&2&3	4&5&6	5&6
It would be useful to have Terms of Reference for Board members	33	44	56	50
With present procedures, the Board meetings allow me to fulfill my duty of oversight in a satisfactory manner	0	19	81	44
The Board fulfills adequately its functions of strategic guidance	0	6	94	31
The Board fulfills adequately its functions of oversight	0	23	77	38
The Board agenda is in line with the functions it is expected to discharge	0	6	94	56
The Board agenda could be reduced by greater delegation to Management	43	57	43	14
The current number of regular Board meetings (three per year) is adequate	19	19	81	63
The present limit of US\$15 million for lapse-of-time decisions on loans is about right (if not, please indicate what the limit should be)	13	19	81	44
Approval of loan-financed projects should be delegated to the President	80	87	13	7
The Programme of Work and the Administrative Budget of IFAD receives adequate attention in the Audit committee	0	9	91	45
The standing Board committees, Audit and Evaluation, provide effective support to the Board	6	6	94	59
The discussion of COSOPs is useful for understanding IFAD's role in a country	6	6	94	83
The discussion of the annual reports RIDE, ARRI and PRISMA is essential for Board oversight and understanding of IFAD's development effectiveness	0	12	88	76
The Member States Online Platform is a useful tool	0	6	94	82
Representatives of Member States in the Board and its committees should be subject to a cooling-off period of at least one year before entering into the service of IFAD	25	25	75	56
How do you rate the usefulness of the Audit Committee?	0	0	100	100
The agenda of the Audit Committee focuses attention on major issues relating to financial oversight, risk management and controls	0	0	100	80
The practice of using English only as the working language should be introduced in the Audit Committee	20	20	80	60
How do you rate the usefulness of the Evaluation Committee?	0	0	100	83
The agenda of the Evaluation Committee focuses attention on major issues relating to IFAD's development effectiveness	0	0	100	42
The interaction between IOE and Management at the Evaluation Committee meetings is helpful for gaining insight into the lessons learned and major issues that need to be addressed moving forward	0	0	100	83
Annual country visits by the Evaluation Committee are important for the understanding of IFAD's role in recipient countries and exposing key lessons and issues	0	9	91	82
The GC 2012 was useful	7	20	80	40
The GC 2012 allowed less time than in the past for statements from the Governors and made more time for podium discussions related to IFAD's interests. This has made the GC more interesting	7	13	87	40
The GC meetings are useful for meeting colleagues from other Member States and IFAD Management and staff	21	21	79	43
The GC approves the annual administrative budget (Agreements Establishing IFAD, article 6.10) and the Audit Financial Statements (By-laws, Section 9). This should be delegated to the Board (would require an amendment to the Agreements Establishing IFAD and the by-laws).	27	33	67	47

Question	1&2	1&2&3	4&5&6	5&6
The GC lays down financing policies, criteria and regulations (Agreements Establishing IFAD, article 7.1e). This should be delegated to the Board (would require an amendment to the Agreement)	29	29	71	43
GC 2012: The documentation was provided on time	0	0	100	93
GC 2012: The documents, on the whole, were of the right length for their subjects	0	0	100	64
GC 2012: The agenda was overloaded	31	31	69	31
	1 day	1 1/2 days	2 days	2 1/2 days
The meetings of the GC should not last for more than	38	31	31	0
	1&2	1&2&3	4&5&6	5&6
GCs should not be convened annually but once every two years	14	14	86	86
Ninth Replenishment: The documents had the right content for decision-making	0	0	100	80
Ninth Replenishment: The consultations were conducted efficiently	0	0	100	93
	Too many	Just right	Too few	
The meetings for the Ninth Replenishment were	14	86	0	
	1&2	1&2&3	4&5&6	5&6
The tri-annual Replenishment Consultations are an efficient way of mobilizing resources for IFAD	7	14	86	57
The large number of Member States attending the Replenishment meetings should be reduced to improve efficiency of the process	50	63	38	19
List Convenors & Friends (LC&F): The LC&F meetings with the President are useful for setting the agenda of the Board meetings	0	8	92	50
List Convenors & Friends (LC&F): The meetings among LC&F members enhance the efficiency of Board meetings	8	8	92	50
List Convenors & Friends (LC&F): The LC&F meetings were helpful for the Ninth Replenishment	17	17	83	33
SEC serves the Board and its committees efficiently	0	0	100	100
Interpretation from English into other IFAD official working languages should no longer be provided for Board meetings	50	56	44	38
Only the executive summaries of documents in English should be translated into the other IFAD official working languages	44	50	50	44
A cap on the length of documents presented to IFAD Governing Bodies should be established	19	19	81	63
SEC is helpful when I encounter a problem and require assistance	0	0	100	100
The Executive Board informal seminars are very useful	0	6	94	69
In addition to the Evaluation Committee country visits, also Executive Board country visits should be established	13	19	81	63
LEG provides its services efficiently to the Board and its committees	38	56	44	31
Documents from LEG for the Board and its committees are clear and provide guidance when necessary	44	63	38	31
LEG is helpful when I encounter a problem and require assistance	23	31	69	31

The numbers at the top of the columns refer to the response on the 1-6 scale--1&2 representing responses of strongly disagree or disagree and at the other end, 5&6 representing agree or strongly agree.

Senior independent advisers' report on the corporate-level evaluation of IFAD's institutional efficiency and efficiency of IFAD-funded operations

I. Introduction

1. Our terms of reference focused on quality assurance. They required us: (i) to review the approach paper, the inception report, the interim evaluation report, the draft final report and the associated working papers; (ii) to participate in a 1-day workshop in Rome on February 9th, 2012; and (iii) to prepare this evaluative note on the quality of the process and the final product. We had full access to relevant information and enjoyed ample opportunity to interact with the evaluation team. Throughout the process, we offered advice about the scope of the exercise, the approach to the task and the methods used. We comment below on the outcome of the review and on key drivers of evaluation quality especially those that determine the validity of evaluation findings.

II. Evaluation scope and design

2. As the report recognises, this evaluation was unusually challenging. In many respects it broke new ground. First, the evaluation team was tasked with carrying out a summative as well as a formative evaluation in a field (sustainable rural development for the poor) where impacts are elusive and meaningful comparators are hard to find. Second, of all Development Assistance Committee evaluation criteria efficiency is the least well-articulated and the most neglected by evaluation professionals. It is also the most demanding since its assessment implies a judgment about all the other criteria.¹⁶² To address it, the evaluation team examined all available operational evidence and tackled overarching aspects of corporate governance and operational management that operational evaluations rarely address.
3. We fully support the comprehensive scope adopted by the evaluation team and the judicious distinction it drew between institutional efficiency and programme efficiency as set out notably in Figure 1 of the main report. Given IFAD's unique mandate of incubating creative and innovative approaches to rural poverty reduction, it was entirely appropriate for the evaluation team to assess at efficiency at various levels – outputs, outcomes and impacts. Doing so highlighted the trade-offs that operational managers must strike between efficiency and the thin spread of IFAD's scarce resources across countries and themes desired by its owners. Inevitably, this brought out selectivity as a key determinant of IFAD's efficiency.
4. The conceptual framework of the evaluation also encouraged explicit consideration of the quality of partnerships that underlie the likelihood of replication and scaling up. It also laid stress on the effective stewardship of assets under IFAD's direct control and it directed attention to the distinctive contributions of various operational and support functions to overall corporate efficiency. Finally the analytical scheme used for the evaluation induced a much needed exploration of the human resources, budget incentives and control environment that have shaped IFAD's corporate culture. These vital functions are critical to the efficient use of IFAD's scarce budget and staff resources.

¹⁶² An intervention cannot be considered efficient if its relevance, effectiveness and sustainability are in doubt.

III. Data adequacy and analysis

5. The report comments on the limitations of the evidence available. It points out that "IFAD lacks information on the full costs of its activities, since it is unable to attribute staff costs to diverse services and activities" and that "IFAD has made less progress than some comparator organisations with respect to databases and its capacity for enterprise analytics such as analysis pulling together staffing, other budgetary costs, activity timelines and programme/portfolio performance" (Main Report, paragraph 17). The consultants were in our view quite right to acknowledge that "in some cases the related findings may not meet the stringent standards of evidentiary basis needed to establish accountabilities for the past performance" (Main Report, paragraph 18).
6. Tackling these data constraints is a core management challenge. It would not only enhance the "evaluability" of IFAD operations but also improve its efficiency: what does not get measured is hard to manage. But even in the absence of data highly relevant to the effective management of budget and staff resources the consultants were able to reach plausible judgments through praiseworthy 'triangulation' efforts - desk reviews, data analysis; IFAD audits, self-evaluations; interviews; focus group discussions; surveys; country studies and benchmarking comparisons. It is equally noteworthy that the Management's comments on the draft report, while raising questions about the reliance to be placed on some of these sources, adduced contrary evidence in only a few cases. On balance, we conclude that the report reflects a serious attempt to identify and use all relevant evidence.

IV. Findings, conclusions and recommendations

7. Our considered judgment is that the summative findings of the final report are as well grounded in evidence as could have been expected. On the other hand, there is room for debate about the detailed conclusions and recommendations and the sequencing of their implementation. This is no reflection on the quality of this evaluation. Evaluators cannot be expected to draw up detailed road maps for organizational change. All they can reasonably be expected to offer is an evidence-based agenda for principled debate among decision makers. Accordingly, rather than going through the findings and recommendations in detail, we opted to comment on the ten 'main messages' (Main Report, paragraph 133).
 - (i) Project quality: noteworthy improvements but project efficiency lags. This finding is well-based in evaluation evidence and in Management's own reports.
 - (ii) IFAD is appreciated for its flexibility and participatory approaches, but more focus is needed in the operational portfolio. The first of these judgments is based on the evidence adduced following country visits and surveys; the second is based on the evidence that the current spread of project coverage, whether by country or by thematic area, is very broad in relation to the modest size of IFAD's portfolio. The extent of sharpening the targeting of IFAD's operations while maintaining the participatory approach of IFAD interventions is a policy matter but its potential for enhancing the efficiency of the organization is undeniable.
 - (iii) Significant adjustments have been made to the operating model. This is certainly not in dispute.
 - (iv) Staffing is not yet sufficiently aligned to the changing business model. Evidence here comes from interviews and staff surveys, as well as from management information. We are ourselves persuaded that there remains a good deal to be addressed in this area (see also ix below).

- (v) Corporate business processes need to adapt to decentralisation. Here again, both interview and survey evidence, as well as management information, provide a solid basis for this message. The consequences of a major re-direction of IFAD's business model to a much more decentralised approach appear to be still working their way through the system so that issues such as the appropriate responsibilities of country offices, the terms on which local staff are engaged and how decentralisation is supported by IT do seem to require further attention by Management.
- (vi) Managers and staff need a consistent and manageable framework for accountability for results. The extent of progress in this area has been one of the most contested between Management and the evaluators. Many, indeed probably most, organisations struggle to deploy such a framework in a way that genuinely incentivises staff to work toward development outcomes and impacts (as opposed to narrower outputs that may in the end drive some counter-productive behaviour). While the evidence secured in this connection heavily depends on judgment informed by qualitative sources of information, the overall intent of this message seems to us valid.
- (vii) Budget management and processes have been tightened in recent years, though there is room for further enhancement. This seems an uncontroversial message.
- (viii) IFAD needs to work with implementing governments to address areas of weak Government performance. Evidence for the significance of supporting improved government performance seems strong; and we feel that a good case has been made for action in this area.
- (ix) Management of staff needs to be better aligned to IFAD's current needs. Evidence in much of this area seems strong. For example, it is not in dispute that IFAD's grade mix is out of line with comparators, that very few staff members are rated below satisfactory, and that some aspects of decentralisation (including a more ruthless attitude to duplication with headquarters) need to be developed further. There is scope for disagreement around the extent of overreliance on consultants but the current proportion does look high.
- (x) There is scope for further efficiency gains in the IFAD Governing Bodies. While the report brings out interesting issues related to IFAD's governance the evidence for major potential efficiency gains here seems rather thin, so long as present policy on translation is continued, given that governance of IFAD is light by comparison with most international bodies and that the Board is already implementing cost-reductions agreed in the last Replenishment.

V. Evaluation process and independence

8. We note that there have been detailed and critical comments by Management on some aspects of the draft report. We regard this as normal for a study of this scope and complexity. We ourselves shared some, but by no means all, of the perspectives advanced by Management. We also noted approvingly that the evaluators took full account of points where factual issues were at stake and/or Management's views were well supported by evidence. This resulted in useful changes as well as in some extensive reciting of actions previously taken by Management.
9. On the other hand, the evaluators maintained their views on key critical issues where Management took a different view (as for example on some aspects of performance-based management). All in all, we have been impressed with the openness of the exchanges and with the way in which IOE managed the process of interaction between

Management and the evaluation team. We conclude that the evaluators have been able to express clearly their views on all salient points.

VI. Concluding thoughts

10. Our involvement in this exceptionally demanding evaluation provoked a few concluding thoughts on IFAD and the evaluation itself.

A. Reflections on IFAD

11. IFAD has experienced rapid growth over the last few years, with its programme of loans and grants doubling from 2007 to 2012, average project size up by a similar amount, total staff up by 30% over the same period and consultant-years by even more. Looking ahead, we suspect that, along with most other development assistance agencies dependent on donor funding, and despite the evident importance of its mission, IFAD may now face several years of flatter resourcing. This will make it harder for IFAD to achieve economies of scale and efficiency gains per unit of output. Yet, in a context of scarce donor funding, pressure for output efficiency is bound to remain high.
12. In relation to other multilateral development agencies IFAD will continue to struggle to deliver its programme with output efficiency indicators comparable to a typical MDB.¹⁶³ This is because it has a relatively small programme, despite significant recent increases, and also because it operates mainly through projects of a participatory and often complex nature usually implemented in relatively weak administrative environments. IFAD could however deliver significantly higher outcome and impact efficiencies if it were successful in leveraging other resources in support of its mission. We therefore find the emphasis of the evaluators on achieving the quality and relevance to leverage such resources entirely plausible. Accordingly, paragraphs 129-132 of the Overview demand to be read with particular attention.
13. We also find plausible the message in paragraph 133 that: "judicious investments in technology, systematic redeployment of administrative resources towards high return areas, an enhanced skill mix, increased selectivity in operations, substantive delegation of responsibility and above all cultural change focused on excellence and strategic partnerships hold the key to improved IFAD efficiency." However, we also appreciate that investments (such as that clearly needed in ICT) need to be delivered in an environment that will often require countervailing savings elsewhere. Since these can only be secured gradually the rationale for funding ICT improvements through a capital budget provision seems compelling.
14. Like the Overview (paragraph 144) we believe that trade-offs can and should be made; but we would underline that Management will need to be decisive in ensuring that areas of patent inefficiency should be tackled, including in difficult areas such as the balance of staffing both by type and between Rome and the field. We note the persistent finding of the evaluation that internal processes are rigid and over-complex, whether in the areas of QE and QA, in the overlap of management committees, in relation to budgeting and results management or even in routine business processes¹⁶⁴. This reflects a culture that appears highly risk-averse, and prone to

¹⁶³ This is so whether output efficiency is measured in terms of administrative expenditure as a proportion of programme expenditure – 22% according to a study quoted in Annex 4 - or even on the measure chosen by the Board of the percentage the annual administrative budget as a percentage of the US\$ value of its programme of work of loans and grants. Commendable reductions have been made against this second parameter, although this measure lowers the 'penalty' on slow programme spending.

¹⁶⁴ We note the judgment that, for example, "There is considerable scope for streamlining some major ADM processes. For example, the available process map for travel shows a total of 43 steps beginning from the traveler initiating the process until the reimbursement of travel expenses exceeding the travel advance. The proposed new

administrative over-engineering. Management may need support from the Board in addressing some of these challenges.

B. Reflections on this evaluation

15. We believe that it is to IFAD's credit that it commissioned a serious evaluation of its efficiency. It opted for a very wide scope, which usefully lifted the study beyond what a typical operational evaluation report or a management consultancy report might have achieved. It considered the efficiency not only of delivery of outputs (important though this is) but also of outcomes and impact. The scale and depth of the review implied a very heavy commitment for the organization as a whole, and of course particularly so for IOE. From our perspective, we consider that this has been a valuable experiment which reflects credit on the consultants, on IOE and on IFAD as a whole. We are pleased to have been associated with it.

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procurement process map depicts a process with up to 20 steps to initiate a purchase order for procurements valued at between €10,000 and €50,000. The process for joint tender with other Rome-based UN agencies comprises 26 steps to issue a purchase order." (Paragraph 97, Main Report).