



Corporate-level Evaluation of IFAD's Decentralization Experience

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Independent Office
of Evaluation



Investing in rural people

IFAD's decentralization journey

Key milestones

2003	Field Presence Pilot Programme (FPPP). Evaluated in 2007
2007	Activity plan for IFAD's country presence
2011	IFAD Country Presence Policy and Strategy
2013	IFAD Country Presence Strategy (2014-2015)
2016	IFAD Corporate Plan for Decentralization - December

Current situation

40 country offices (39 oper. in mid-2016), cover 78% IFAD's ongoing financing

4 ICO modalities: (i) national staff-led; (ii) international staff-led; (iii) sub-regional hubs; (iv) regional office (Nairobi)

Evaluation objectives and criteria

To evaluate IFAD's **decentralization experience and efforts**, including the underlying assumptions



Relevance

To evaluate the contribution of IFAD's decentralization for better **operational performance** and **development results**



Effectiveness

To evaluate the **costs** of the decentralization process in relation to the **results achieved**



Efficiency

Findings - Relevance

- ❖ Objectives for the decentralization process were overall valid
- ❖ Some assumptions not realistic:
 - Cost neutrality and “light touch” approach vs. broad range of expectations for country offices
 - Leeway to experimenting country presence but little analysis of needs, costs and performance
 - Initially, focus on country presence but less attention to reorganizing headquarters

Findings - Effectiveness

- ❖ Operational effectiveness:
 - Better understanding of national context in country strategy and project design
 - Greater project implementation support (interactions with partners, problem solving)

- ❖ Development results. Country presence associated with higher IOE evaluation ratings for:
 - Impact on: (i) household's income, assets; (ii) food security
 - Gender equality
 - Sustainability of benefits
 - Innovation and scaling up

Findings – Effectiveness / 2

- ❖ Mixed effects on non-lending activities
 - Clear improvement in partnerships with Governments and donors.
 - Less systematically with UN agencies
 - Contribution to knowledge management, policy dialogue was variable
 - Limited resources (human and financial)
 - Varying interest, experience and qualification of staff

Findings - Efficiency

- ❖ Difficult to reconstruct costs of decentralization due to accounting system
- ❖ IFAD managed to contain costs associated with country presence
 - However, not all cost reducing options pursued. E.g., re-adjustment of HQ staffing (same as in 2008)
- ❖ No clear argument to increase country offices to 50: modest increase in portfolio coverage but significant increase in costs

Findings – Efficiency / 2

- ❖ Improvements in the support functions to the country offices:
 - Field Support Unit (security, handbook, office set up)
 - Improvements in information and communications technology

- ❖ Issues found in past organizational and HR aspects:
 - Giving full recognition to national professional staff
 - Limited orientation and training for national staff
 - Delegation of authority has progressed slowly (notably for budget-holding authority)

Findings – Efficiency / 3

Advantages of sub-regional hubs

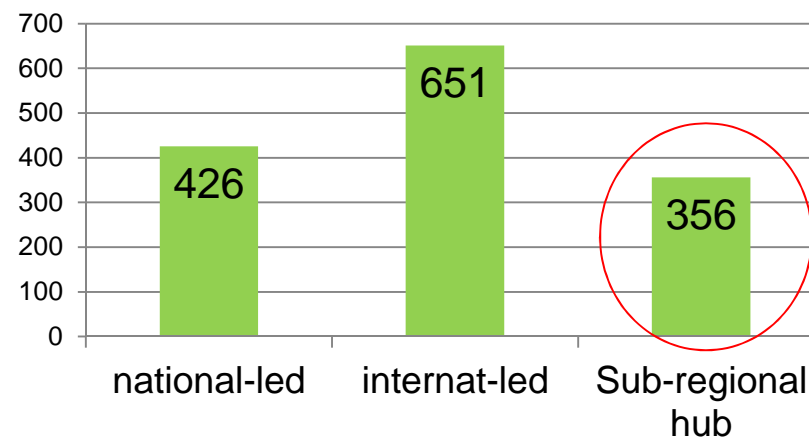
Strategic advantages

- ❖ Facilitate cross-border approaches and engagement in sub-regional initiatives
- ❖ Continuity and flexibility in serving countries, despite staff turn-over
- ❖ Enhance rationalization of staff and consultants

Cost-efficiency

- ❖ Advantages of hubs in terms of operational costs per country and per project

Average per country operational cost (US\$ 000)



Summary

- ❖ The objectives of decentralization process were relevant but with gaps in some assumptions
- ❖ Significant improvements in portfolio performance, also benefiting development results
- ❖ Mixed outcomes for the non-lending activities
- ❖ Further opportunities exist to re-organize headquarters and for cost- efficiency gains

Key recommendations - 1

1. Consolidate country presence and enhance cost-efficiency

- In the field: build “critical mass” upon advantages of sub-regional hubs
- Re-organize staff between headquarters and country offices, based on functional analysis exercise

2. Non-lending activities

More selectivity, differentiate expectations by type of country office.
Establish budget line.

3. Enhance delegation of authority

- Budget holding (Vietnam pilot)
- Delegation framework for communication and knowledge platforms

Key recommendations - 2

- 4. Enhance staff incentives and capacity to operate in a decentralized environment**
 - Expand and better structure orientation and training
 - Further recognize national staff (including clearer post grading)

- 5. Improve the quality of data, monitoring and self-assessment**
 - Adjust accounting system to monitor country presence costs