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Enabling poor rural people
to overcome poverty

Self-assessment report
IFAD Country Presence Programme

Note to Executive Board representatives

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Contents

Abbreviations and acronyms

ACP	agreement at completion point
ACPM	associate country programme manager
AfDB	African Development Bank
AsDB	Asian Development Bank
CAADP	Comprehensive Africa Agriculture Development Programme
CPA	country programme assistant
CPM	country programme manager
CPMT	country programme management team
CPP	Country Presence Programme
EAA	expense advance authorization
FPPP	Field Presence Pilot Programme
HCA	host country agreement
IFI	international financial institution
M&E	monitoring and evaluation
MOSS	Minimum Operating Security Standards
SRE	statement of receipt and expenditure
TER	travel expenses report
UNDP	United Nations Development Programme

Executive summary

A. Background

1. IFAD's first country presence initiative, the Field Presence Pilot Programme (FPPP), was approved by the Executive Board in December 2003. Fifteen country offices were established under this initiative, which also included two offices led by previously outposted country programme managers (CPMs). An independent evaluation undertaken in 2007 found that IFAD's achievements were markedly better in countries with a field presence than in comparator countries. In the light of this finding, IFAD's country presence programme (CPP) has been expanded over the last three years and so far 30 country offices have been approved by the Executive Board. Pursuant to the Board decision, a self-assessment of the country presence programme was undertaken in 2010.

B. Country presence programme objectives

2. The goal of the IFAD country presence is to support IFAD's vision of enabling poor rural people to overcome poverty. To achieve this, the main outcomes set for the programme are to: help align country strategies and projects with the country context; provide cost-effective and timely supervision and implementation support; improve IFAD's understanding of the changing conditions of rural poverty and influence national policies and strategies; build partnerships and collaborative relationships and align IFAD more closely with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action at the country level; promote structured systems for information and knowledge management; and disseminate innovative approaches to rural development and poverty reduction.

C. Self-assessment findings

3. The self-assessment noted that the criteria agreed to in 2003 were adhered to, during both the pilot and expansion phases.

   Outcomes

4. **Project design, supervision and implementation support.** IFAD's programme of work has increased steadily over the last five years. This has a considerable impact not only on design processes within IFAD, but more importantly on supervision and implementation support. Without a cadre of staff located in-country, IFAD's transition to direct supervision would likely have been less effective. Interviews with government officials and project staff identified implementation support as the main value added of IFAD's country offices.

5. **Partnerships and policy dialogue.** The CPP has provided IFAD with an opportunity to meet with its partners in-country and participate in both government- and donor-led thematic groups more regularly. IFAD country office staff are well placed to identify project experiences that can be used to influence national and local policies.

6. **Knowledge management and innovation.** Knowledge management activities have focused mainly on inter-project exchange of knowledge and experiences. Country offices play a key role in facilitating country programme management teams. The country offices have organized team building workshops and annual country programme review workshops.

   Efficiency gains in operations

7. A review of portfolio management information from 2008 to 2010 shows that:

   (a) Countries with country offices perform better than those without in terms of financial management, disbursement, availability of counterpart funds and compliance with procurement procedures;

(b) Projects in countries with country offices entered into force about one month faster on average than projects in those without, and two months faster as compared to the benchmark year (2006); and

(c) First disbursements were made in countries supported by a country office more than one month faster than those without, and about two months faster than the benchmark year.

Organization of country offices

8. While country offices vary significantly in terms of resourcing, three basic models of organizational arrangements have emerged:

- In 18 of the 30 countries, a country national is employed as the country programme officer (CPO), with overall management responsibility kept with the CPM based at headquarters;

- Alternately, the CPM is outposted to the country office with full responsibility for managing the office, and is supported by both local recruits and staff at headquarters;

- In Kenya, a third organizational model is being tested whereby the country office serves as a regional centre to support intraregional initiatives. The regional hub is responsible for loan administration for all countries in the region and also includes some thematic staff.

Hosting arrangements and human resources management

9. Nine host country agreements have been completed, and two are being finalized. For the agreements signed thus far, the average time elapsed from the initial note verbale to signing of the agreement is about one year. IFAD's country offices are normally hosted by a United Nations agency, principally the United Nations Development Programme (UNDP), which hosts 17 offices. The Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) are the other main host agencies.

10. Staffing levels have varied across countries and regions, with the increased human and financial resources needed coming from the programmatic budget. In the second quarter of 2009, IFAD agreed to directly contract most of its locally recruited CPOs and general services staff. By the end of 2010, 22 national staff had been contracted directly. Of the 12 CPMs planned, only five have been outposted. The applicable human resources policy is still being developed.

Integration with IFAD's administrative, budgetary and information technology systems

11. The administrative and programmatic costs associated with country offices are financed under regional division budgets and thus fully integrated with IFAD's administrative budget. Despite recent improvements, however, the current budget transfer/advance and reconciliation arrangements make it difficult to extract a full breakdown of costs associated with each country office. Some modifications to the information technology (IT) system (PeopleSoft) may be required to link budget/expenditure to country offices.

12. An increasing number of country offices are making efficiency gains by accessing the web-based IFAD systems, and through access to IFAD's virtual private network (VPN) (18 of the 24 offices operational during the assessment period). The reliability and speed of internet connectivity remains a major obstacle in many countries, however.

Costs

13. The estimated cost of the country offices in 2010 was US$6.5 million. The average cost for CPO-led offices was around US$157,000 while offices led by a CPM averaged about US$472,200. Most of the difference between the two offices relates to the cost of international staff. The cost of the regional office in Nairobi was about

US$1.3 million, about 20 per cent of total country office costs in 2010. More than 70 per cent of expenditures are for staff salaries and related expenses (including an estimated US$2.2 million for international staff), about 16 per cent host agency charges, 8 per cent travel and local transportation, 5 per cent goods and equipment, and a negligible amount miscellaneous expenditures.

D. Conclusions and recommendations

14. While the selection criteria for establishing country offices were considered adequate during the pilot phase and subsequent expansion, in view of limited human and financial resources these criteria should be broadened to include critical country characteristics.

15. In general, both models — CPO in country office with CPM at headquarters, or both CPM and CPO at the country office — have achieved good results, particularly in supporting IFAD projects. Results on policy dialogue and partnership are promising. The establishment of additional regional offices should be investigated, including estimates of the costs and benefits. Keeping the critical importance of country programme and supervision and implementation support on the one hand and context-specific need for knowledge management, partnership building and policy dialogue on the other, specific terms of reference for the country offices and their staff should be adapted.

16. Integrating country offices with IFAD's administrative and budgetary systems is critical to efficiency and effectiveness. Particular areas that need strengthening include:

    (a) Awarding IFAD contracts to national staff;
    (b) Finalization of human resources policies and operational guidelines applicable to national staff;
    (c) Development of human resources policies on outposting and rotation of international staff and locally recruited national staff; and
    (d) Adherence to financial reporting requirements (host agency and country office), and further improvement of headquarters financial management system.

17. The assessment also recommends that a systematic institutional study be undertaken to examine opportunities for cost savings by transferring some tasks related to country programme administration (e.g. recruitment of mission members, report preparation) and financial management processes from headquarters to country offices.

Self-assessment report
IFAD Country Presence Programme

I. Introduction[1]

1. IFAD's first country presence initiative, the Field Presence Pilot Programme (FPPP) covering 15 offices led by national staff and two offices led by outposted country programme managers (CPMs), was approved by the Executive Board in December 2003.[2] Upon its approval, Management undertook to carry out an independent evaluation after three years to inform future decisions on whether to "continue, expand, end or otherwise modify the Field Presence Programme" (EB 2003/80.R.4). That evaluation found that IFAD's achievements in terms of implementation support, policy dialogue, partnership development and knowledge management were markedly better in countries with a field presence than in comparator countries without.[3] In view of these results, in 2007 the Executive Board decided to continue with the country presence programme (CPP) with further experimentation with different models, including outposting of CPMs.[4] In 2008, the Executive Board agreed to expand the programme by upgrading seven informal ("proxy") country presence arrangements to country offices and establishing three additional country offices.[5] This was followed in 2009 by the approval of an additional three offices,[6] taking the total number of approved country offices to 30. Of these, 24 were fully operational on 31 December 2010.

2. At the September 2007 meeting of the Board, IFAD Management agreed to undertake a self-assessment of the CPP in 2010. This decision was reaffirmed in 2009 with a recommendation that the self-assessment focus both on operations at the country level and the systems and procedures that support country presence at headquarters. In addition, the self-assessment was to evaluate the overall performance of IFAD's country presence and distil lessons learned from experiences so far. Thus, the self-assessment would serve as an important input in elaborating an IFAD policy on country presence to be presented to the Board for approval in 2011.

II. Objectives, approach and methodology

A. Objectives

3. The three main objectives of the self-assessment were to:

    * Assess the performance of the IFAD country offices in contributing to the interrelated dimensions of: project implementation, policy dialogue, partnership building and, knowledge management and innovation. In addition, country office contributions to local capacity-building were assessed;

    * Gauge the effectiveness of the institution in mainstreaming country presence into its regular business processes, i.e. the extent to which IFAD headquarters has facilitated the work of the country offices; and

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1   The self-assessment was led by Shyam Khadka, Senior Portfolio Advisor who also visited offices in The Sudan and Egypt. Ms. Theresa Rice, Operational Systems Advisor, was responsible for the statistical analysis and much of the report writing and visited the office in the Philippines. Mr. Ashok Seth, Senior Consultant visited offices in Kenya, Nepal and Viet Nam and conducted most of the interviews with staff and management. Mr. Geoffrey Livingstone, Regional Economist in Eastern and Southern Africa, visited the office serving the Republic of Congo and the Democratic Republic of Congo. Staff throughout IFAD, notably from PMD, CFS, HRD, ADM contributed to the self-assessment.
2   Implementation of the pilot programme began in 2004 and continued until 2007.
3   Office of Evaluation, 2007. Evaluation of IFAD's Field Presence Programme. Report No. 893. July 2007.
4   EB 2007/92/R.47. Activity plan for IFAD's country presence. December 2007.
5   EB 2008/95/R.9/Rev.1. Progress report and activity plan for IFAD's country presence. December 2008.
6   EB 2009/98/R.11. Progress report and activity plan for IFAD's country presence. December 2009.

- Generate insights and recommendations that would help to elaborate IFAD's policy on country presence.

4. To achieve these objectives and to foster consistency between the self-assessment and the evaluation conducted in 2007, the focus was maintained on the following overarching questions:

(a) **Was the Country Presence Programme relevant and rightly designed, with appropriate and realistic objectives, definition of appropriate "interrelated dimensions" and instruments?** A broad assessment of whether the field presence framework (later adopted as the country presence framework) was appropriate in achieving its objectives;

(b) **What were the results achieved?** This entailed reviewing results from the country offices in terms of project performance, policy dialogue, partnership building, etc.; and

(c) **Were appropriate resources allocated and organizational arrangements made to ensure the achievement of results and objectives?** This entailed assessing overall headquarters support to country offices, including in bilateral relations with host countries, hosting arrangements, delegation of authority, human resources, budget allocations, reporting lines, monitoring and reporting systems, oversight mechanisms by IFAD, etc.

B. Approach and methodology

5. In analysing the overall results, Country Presence Programme (CPP) countries - those with country offices - were compared to those without (countries with proxy or informal offices were included in the latter group). Country offices headed by a CPM were considered a subset of the group with country offices, to indicate the effect of outposted CPMs on the achievement of results at country level.[7]

6. The self-assessment relied on the following instruments:

- Review of the biannual progress reports submitted by country offices to identify results achieved in the four interrelated dimensions. Insights were also gleaned from the self-assessment undertaken by the Programme Management Department (PMD) in 2007 and the evaluation carried out at the same time by the IFAD Office of Evaluation, as well as recent project and country programme evaluations.

- Comparison of countries with and without country offices, based on a statistical analysis of data on quantitative assessment indicators from January 2008 to December 2010, to measure efficiency. Project status report (PSR) ratings (three years) were also analysed to determine whether there is a link between country offices and discernible improvements at the project level.

- A perception survey of staff at country offices and CPMs (including all countries) was undertaken to identify perceived strengths and weaknesses and highlight areas for improvement (a copy of the survey questionnaire is contained in annex IV). The perception survey findings were verified using interviews and other data, including IFAD's client survey.

- Staff interviews were conducted to provide CPMs and others with the opportunity to provide direct input into the self-assessment and to validate and augment perception survey findings.

- Interviews of staff from support divisions involved were carried out to determine the extent to which the CPP has been mainstreamed into regular

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[7] This is a departure from the evaluation methodology that employed a 'control group' against which FPPP countries were compared. In view of the expansion of the programme, this was no longer feasible.

business processes and to uncover areas that need further procedural changes.

- A limited number of country visits were made for first-hand observation. The focus during these visits was to assess results and achievements with respect to the main areas of the country office mandate and the hosting arrangements. The country visits included meetings with ministry and national government representatives, country office and host agency staff, important stakeholders (international financial institutions, United Nations agencies and civil society). Where possible, meetings with directors of ongoing projects were also held.[8]

- Other senior officials at IFAD, including the Associate Vice President, Programmes, the Chief Finance and Administration Officer and the Director of the Office of the President, were also interviewed. A list of staff and officials interviewed is provided in annex I.

7. The table below summarizes sources used in assessing each of the focal areas.

Table 1
Summary of sources

Focal area	Main sources	Supporting sources
Relevance	Client survey Country visits	Progress reports Interviews/focus groups Evaluations
Effectiveness	Progress reports Perception surveys Portfolio statistics	Interviews/focus groups Evaluations
Efficiency	Portfolio statistics Budget statistics	Interviews/focus groups
Institutional arrangements	Interviews/focus groups Perception surveys Country visits HR data	Progress reports //desk site on country presence Interviews with partners

C. Corporate changes with significant impact on the Country Presence Programme

8. Among the new corporate processes, direct supervision has become an important operational instrument for IFAD to strengthen and enhance the relevance, focus, quality and efficiency of its country programmes and to capture knowledge to contribute to corporate processes. The strategic shift of emphasis and resources from design to implementation for enhanced impact also necessitated the adoption of more effective and integrated corporate operational instruments that allow for continuous use and strengthening of local capacities. The platform provided by the CPP for direct supervision has become an important instrument to integrate approaches and constitutes a crucially important interface between IFAD headquarters and country-level actors and processes.

9. The decision to step up engagement with country stakeholders during implementation, inter alia through direct supervision, was made following FPPP implementation and evaluation. Through direct supervision IFAD has become far more engaged than previously at both the design and implementation stage of the projects and programmes that it finances. Direct supervision has also provided a vehicle for dialogue with government on implementation progress that directly or indirectly touches on policies. Thus, direct supervision has contributed to one of the main raisons d'être for the CPP — greater engagement with the country. In the self-assessment it has not been possible to isolate the effects of direct supervision and country presence, except indirectly through comparisons of countries with and

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[8] The two main models of country offices were visited -- those with and without an outposted CPM -- as well as the country office in Kenya with its regional service centre.

without country offices. IFAD's ability to effectively supervise its projects, and provide them with ongoing implementation support, might not have been feasible without the country offices.

III. Evaluation findings

10. The FPPP evaluation found the focus on the four interrelated dimensions to be appropriate for furthering the objectives of IFAD country programmes. The evaluation also identified some limitations, including underfunding, inadequate allocation of human resources and lack of integration with IFAD's administrative and financial services. These shortcomings limited the effectiveness of the country offices. (See annex III for a description of the actions agreed at completion point and their implementation status.)

11. Despite the limitations, the evaluation concluded that country presence makes a significant contribution to IFAD's development effectiveness, and recommended continued support and expansion of the programme. Encouraged by these findings, the Board approved an expansion based on activity plans and progress reports prepared by IFAD Management. These called for increasingly integrated country-level activities with the overall country programme and strengthened systems and procedures to improve support from headquarters. These efforts allowed IFAD to more effectively engage in in-country dialogues, contributed to improved implementation support, and fostered national ownership through better alignment with national policies and programmes.

12. During the five-year period 2005-2009, 17 evaluations (about one third of the total) of projects and country programmes conducted by the IFAD Office of Evaluation identified a link between country offices and improved development effectiveness. In most cases, these evaluations also recommended increased resources for the country offices.

13. The most robust findings were from country programme evaluations (CPEs) carried out in 2008/09, as follows:

- In Ethiopia, the CPE observed that the country office "has already made many tangible contributions to implementation support and partnership development. Successes in policy dialogue and even more so knowledge management have understandably been slower to develop." It also noted that "the indication at this point is that the Field Presence Officer (FPO) can also be successful with these, particularly if he is provided additional time and resources." Although the country office had only been established for two years, according to the evaluation, "it is clear that this has facilitated the flow of information and the timely identification of implementation problems, as the [Field Support Manager] has participated in supervision missions. At the same time it has facilitated dialogue with the Government and other partners, as IFAD can have a representative attend meetings convened by Government and other donors on sectoral and development issues".

- The CPE for India (2009) found that "the expansion of IFAD's Country Presence Office has contributed to greater efficiency of programme management in recent years." The evaluation identified knowledge management to "broker some of the good practices that are emerging at the project level, and also to promote the development of new knowledge in areas which it identifies as constraints to progress", as an area in which IFAD needs to focus greater attention. The CPE noted that "there had been a quantum advance in this area with the expansion of the role of the Country Presence Office in India."

- While a "proxy" at the time, the CPE for Mozambique (2009) found that "IFAD has been gradually augmenting its implementation capacity in the field to the benefit of improved programme coordination and harmonization. This has

made it possible for IFAD to support activities (including the development of project monitoring and evaluation [M&E] systems) that are helping to foster portfolio quality." In addition, the CPE noted that "Though limited in terms of resources and authority, this country presence has allowed for better dialogue with the Government and enabled IFAD to further its commitments in relation to the Paris Declaration on Aid Effectiveness as well as the United Nations 'Delivering as One' pilot initiative".

- In Nigeria, the 2009 CPE found that "operational activities and participation in in-country meetings and working groups' activities have improved with the establishment of the country presence office. While the evaluation commended IFAD for establishing an office in such a large and important country as Nigeria, "its view is that the current human resources arrangements, level of delegation of authority and resources deployed for the country presence should be of a calibre that would allow it to play a greater role in improving IFAD's assistance to Nigeria."

- The CPE of The Sudan (2008) observed that "Field presence has enhanced implementation support and knowledge management… The CPO has been participating in supervision and design missions, providing backstopping to project teams and generally enhancing the implementation support provided by IFAD". The CPE also acknowledged the important contribution of the field office to policy dialogue activities.

- The 2008 CPE for Pakistan noted that "There is wide recognition that the country presence has markedly improved the way IFAD is represented and perceived in Pakistan, and its relations with the Government have benefited. … Other specific improvements include: regular participation in the donor coordination groups for poverty alleviation and microfinance; hands-on participation in supervision missions and wrap-up meetings; participation in the meetings of the United Nations Country Team". In addition, the CPE noted "it is not sufficiently resourced to be able to develop a presence close to the current rural development projects through more frequent visits, or to address a range of issues that include policy development, knowledge management and helping to draw up a coherent strategic programme".

14. In summary, the key evaluation findings related to the country presence programme were:

- *Link between country presence and development effectiveness*: On the key dimensions of implementation support, policy dialogue, partnership development and knowledge management, countries with a field presence perform much better.

- *Crucial positive contributions*: Identification of problems, timely information flows, communication with partners, dialogue with governments, improved M&E. Country offices are particularly strong on implementation support and partnerships.

- *Comparator organizations*: Other international financial institutions (IFIs) consider their field presence to be essential to their development effectiveness.

- *Key factors to consider:* A thorough assessment of human and financial resource requirements, definition of roles and responsibilities, delegation of authority, recruitment modalities.

IV. Experience of other international financial institutions

15. Other IFIs have a considerable presence in host countries. The assessment undertook a review[9] of the experiences of these IFIs with their country offices and included those for which IFAD has the strongest relationships — the African Development Bank (AfDB), Asian Development Bank (AsDB) and World Bank. For these organizations, establishing a country or field presence was part of a larger decentralization effort.

16. As in the case of IFAD, the country offices of other IFIs are expected to contribute to achieving the organization's overarching goal by:

- Facilitating an understanding of host country issues and priorities, and integrating global and country knowledge into services provided to host countries;

- Facilitating faster service delivery to host country clients, including supervision and fiduciary oversight;

- Enhancing policy dialogue; and

- Improving country ownership and creating partnerships with government and other development stakeholders.

17. Common policy objectives included:

- Forging strong partnerships with host countries and improving the alignment of aid programs with host country development objectives and priorities;

- Lowering transaction costs by having a better understanding of prevailing enabling environments and development challenges and by improving responsiveness, timeliness and quality of service delivery; and

- Optimizing development effectiveness.

18. The country offices of the other IFIs are larger and more varied than IFAD's. Most, except for very small satellite offices, boast full complements of staff, including in operations, thematic/sectoral areas, and finance and administration. Regional offices provide expertise and programming support to the country offices. The AsDB has 27 resident missions and three resident offices, and about 22 per cent of its staff working in the field.[10] Since 1997, the World Bank has succeeded in decentralizing significant work and decision making to its country offices; more than 38 per cent of staff now work in one of its 120 country offices (there are some offices in donor countries).[11] The AfDB has established 26 offices in regional member states and one regional office in South Africa; 27 per cent of its staff - 15 per cent of professional staff – were working in the field at the end of 2009.[12]

19. In moving work to the field, the initial focus was on project supervision and fiduciary issues. AsDB set up its first field office in Bangladesh in 1982 to address persistent implementation and disbursement problems. In general, there is less advisory and economic work being done from the field, and expertise from headquarters is used to augment the work of country offices.

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[9] Main sources: Impact of the Decentralization Strategy on Country Dialogue and Portfolio Quality, AfDB, July 2008;, Independent Evaluation of the Decentralization Strategy and Process at the African Development Bank, Summary Report for ADF-11 Mid Term Review, September 2009; and Resident Mission Policy and Related Operations: Delivering Services to Clients, Special Evaluation Study, AsDB, October 2007; and Results and Performance of the World Bank Group, World Bank IEG Annual Report 2010.
[10] Asian Development Bank Annual Report, 2009.
[11] World Bank Annual Report, 2010
[12] African Development Bank Annual Report, 2009. Note that three of the offices are not considered as fully staffed and functional.

20.   The 2008 AfDB assessment found that "field offices had a modest but positive impact on country dialogue and portfolio management". The 2008 report stated that "the activities of the field offices had contributed to broadening and deepening country dialogue" through their contribution to poverty reduction papers and country strategy papers. It was felt that the close working relationship with AfDB staff, government staff and other in-country stakeholders "enhanced the understanding of complex political and economic issues". The assessment also observed the positive effect on key AfDB processes and indicators, including a reduction in elapsed time for loan effectiveness, as well as reducing the rejection rate and shortening the time for procurement and disbursement requests. The submission of project implementation progress reports and audit reports from field office countries also improved. These findings were confirmed by the later evaluation in 2009, and echoed by the 2007 AsDB evaluation, which found that the resident missions were "effective in support of project design and project administration."[13]

21.   Proxy indicators such as reductions in the number of problem projects were used by AfDB as measures of improvements that could be attributable to country offices. The assessment found that over the previous three years, the proportion of problem projects and projects at risk in countries with a functioning office had fallen, owing in part to the influence of the field offices. It noted that most of the offices had established follow-up mechanisms to help project management solve problems on the ground. The assessment noted that tangible, sustained improvements require longer than a three-year horizon; however, the result achieved was better than the AfDB-wide average for the period.

22.   The World Bank Independent Evaluation Group (IEG), on the other hand, found little correlation between the location of the task team leader and the final outcomes of operations. The report did find outcomes to be better "among country programmes with country directors located in country rather than a nearby hub," although there was no statistically significant difference in comparison to country directors at headquarters. In its response, the World Bank management noted that "looking at the outcome of operations … is a very narrow measure of the benefits." Further, management noted that this narrow definition does not consider such benefits as higher quality country dialogue, better alignment with country poverty reduction strategies and better partnerships with the donor community.

23.   The other IFIs are unanimous in finding that benefits are difficult to quantify, thus constraining assessments of cost-effectiveness. This is attributable to both methodological issues, since decentralization involved the entire organization (much like the difficulty in separating out the effects of IFAD's country presence from those of direct supervision), and difficulties in quantifying benefits, e.g. measuring the benefits of improved policy dialogue or more sustainable outcomes.

24.   Aside from the difficulties described above in ascribing benefits to country offices, the evaluations found that:

   •   Benefits are spread over the medium to long term, and realizing the full benefits of decentralization requires substantial incremental budget outlays;

   •   Rigorous monitoring and reporting mechanisms on decentralization are lacking (AfDB), which hampered the work of the evaluation; and

   •   The importance of decentralization has been recognized but not yet fully built into business processes (AfDB).

25.   The 2007 Evaluation of IFAD's Field Presence examined the experiences of five comparator organizations in decentralization and devolution. Although only one of

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[13] The AsDB evaluation was of the policy itself and relied mainly on perception surveys and interviews to substantiate its findings. Statistics regarding project performance were not available in the final report.

these was an IFI,[14] the findings are consistent with the more recent evaluations cited above. In brief, the evaluation found that:

- *The development effectiveness of field presence is viewed positively* by all comparator organizations – in spite of numerous challenges and associated costs. This positive appreciation relates mainly to qualitative aspects of the organizations' work. Owing to better contacts with the field, aid is better adapted to the local situation and more effective;

- *Efficiency gains are not automatic, and deliberate efforts are required to compensate for the additional costs that are likely to occur when establishing field and/or regional offices*. Decentralization in all comparator organizations has resulted in considerable additional cost;

- *Decentralization does not occur in isolation*. The relationship between efforts to strengthen field presence and other institutional reforms needs to be considered and prioritized. Changing the role of the field has repercussions at headquarters; ·

- *Flexibility is essential in responding to different and changing contexts* — with respect to structures, staffing issues, locations and the distribution of responsibilities; and

- *Inappropriate delegation of authority to the field seriously hampers effectiveness* and undermines the potential benefits of field presence.

V. Country Presence Programme objectives and selection criteria

A. Objectives of the Country Presence Programme

26. In view of the need for IFAD to become more actively involved in providing project implementation support in the context of a variety of country situations, and recognizing the limitations of arrangements prevalent until that time, in 2003 IFAD's Executive Board approved a pilot programme to enhance field presence and in-country capacity with 15 pilot offices (EB 2003/80/R.4). It was anticipated that "an enhanced field presence would enable the Fund to play a more effective catalytic role and strengthen its impact" (paragraph 4). In particular, "IFAD's strategic approach to enhancing its field presence also aims at supporting its vision and strategic framework, by: (a) strengthening the impact of its activities on the socio-economic situation of its target group; and (b) building up local capacities" (paragraph 5).

27. IFAD country presence was expected to help the Fund to realize these objectives by strengthening and integrating four interrelated dimensions: project implementation, policy dialogue, partnership building and knowledge management. IFAD's country offices were also expected to enhance project supervision and improve support to research and NGOs, and enable the Fund to better capture lessons learned from the rural poor and integrate them into policy dialogue, partnership building and knowledge management.

28. An evaluation conducted in 2007 (report 1893, July 2007) found that the FPPP objectives vis-à-vis IFAD's target group were "unrealistic regarding the assessment and attribution of the pilot programme's impact on the rural poor". It noted that "there are multiple factors contributing to enhanced results of the IFAD country programme, and that field presence is a crucial but merely one such factor". In structuring the approach of the self-assessment, it was decided that the role of the country offices with respect to strengthening impact is too complex an issue for the self-assessment to credibly comment upon. In addition, the self-assessment found that the objective of "impact on the rural poor" was at too high a level, and that

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[14] The organizations reviewed were: Action Aid, AsDB, IFPRI, FAO and SDC.

achievements in this area could not necessarily be attributed to the work of a country office.

29. The goal of country presence is to support IFAD's vision of enabling poor rural people to overcome poverty. The objective of the CPP needs to be more clearly articulated and delinked from the socio-economic situation of the target group. While the country offices can be expected to have a positive effect on the achievement of development outcomes, the objective of the CPP needs to be focused on what they can actually do. The revised CPP objective is to enhance IFAD's development effectiveness in the context of country situations and priorities. To achieve this, the main outcomes of the programme are to:

- Help **align country strategies** and projects with the country context;

- Provide cost-effective and **timely project supervision and implementation support**;

- Improve IFAD's understanding of the changing conditions of rural poverty and **influence national policies and strategies** to ensure that interests of the rural poor are taken in to consideration;

- **Build partnerships and collaborative relationships** and align IFAD more closely with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action at national level; and

- Promote structured systems for information and knowledge sharing (**knowledge management**) and disseminate **innovative approaches** to rural poverty reduction and rural development.

30. Local capacity-building is a cross-cutting activity and a key output in their achievement.

B.   Criteria for selection of host countries

31. At the start of the pilot phase, the key selection criteria included:

- High levels of poverty, particularly in rural areas;
- Sufficiently conducive environment at the level of government and other development partners;
- Identified need to strengthen the policy and institutional environment in favour of the target group;
- Adequate prospective IFAD portfolio size; and
- Adequate regional distribution.

32. By the end of 2009, 30 country offices had been approved (see annex II for a list of offices and portfolio description). In general, these criteria have been respected. The guiding principle during the expansion phase has been to emphasize programme size as an important operational criterion. Countries in special circumstances, such as fragile states and those with poor performance, e.g. Congo, Democratic Republic of Congo, Guinea, Haiti and Yemen, which require coordinated approaches to development from all IFIs and donors, were included in the CPP under the criterion of strengthening institutional and policy environments. Middle-income countries such as Brazil were chosen in view of their potential to influence policy and generate knowledge.

33. Thus, over one third of the countries in IFAD's current portfolio are served by formal offices. The number of current projects covered by these offices is 137 - 51 per cent of the total number of projects in the current portfolio. Of these, all but nine are directly supervised, accounting for more than half of the projects that IFAD supervises. IFAD's financing commitment for these projects is about US$2.92 billion, equivalent to some 64 per cent of the value of the current portfolio.

34. The criterion that has not been carried over from the pilot phase to the expansion phase is regional distribution. Almost 75 per cent (24) of the country offices are

located in Africa or Asia, where the majority of the world's rural poor reside, and over 50 per cent (16) are in sub-Saharan Africa,[15] where the largest number of fragile states is located. About one third of the offices are located in countries considered fragile,[16] of which four were approved after the pilot phase ended. Better access to countries in the Near East and North Africa (NEN) region, in terms of both travel time and cost, implies less efficiency gains for IFAD country offices. Given the smaller size of the portfolio in Latin America and the Caribbean (LAC), economies of scale need to be considered in the establishment of country offices in that region.

35. While the above selection criteria were adequate during the pilot phase and the subsequent expansion has focused mainly on sub-Saharan Africa and Asia, several countries that were not selected also fit the criteria. Given limited human and financial resources, and high demand on the part of partner governments including some with small country programmes, the criteria for establishing country offices.

VI. Dimensions of country presence

36. The interrelated focal areas identified for the country offices during the design of the pilot programme continue to reflect their main intervention areas. The emphasis, however, is a function of the specific country programme and cost/benefit in terms of human and financial resources available to the office concerned. Based on visits to the country offices, a review of progress reports and findings from the perception survey, the focus of the offices was found to be clearly project-related — design, supervision and implementation support. To a large extent, such support also included capacity-building for staff involved in project implementation. Interviews with government officials and project staff identified implementation support as the main value added of IFAD's country offices. Depending on staffing and country context, other areas of importance included policy dialogue and partnership building. It is apparent from the progress reports that building and maintaining partnerships is critical in countries with a large and active donor community, e.g. those with sector-wide approaches (SWAps).

37. When asked to rank the focus areas in order of importance, respondents to the perception survey[17] rated supervision/implementation support first and project design in second place. These findings are borne out by the ratings for results achieved and value added. There was little discernible difference between the ratings of CPMs at headquarters with or without a country office. Policy dialogue and partnership building were rated as the next most important. Outposted CPMs ranked these third and fourth. CPOs rated partnership as relatively unimportant in their work. Capacity-building and knowledge management were accorded the least importance.

38. The following sections, based largely on progress reports, summarize some of the self-assessment's key findings on the CPP focal dimensions.

A. Project design, supervision and implementation support

39. In designing the CPP, it was anticipated that it would augment IFAD's knowledge of country policies and initiatives, and provide more opportunities for targeted implementation support. While IFAD's direct involvement in the supervision of its projects has substantially increased its knowledge base at headquarters, it has come at a fairly high cost in terms of dedicated staff time. Without a cadre of staff

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15 Two additional countries are served by these offices, i.e., Congo and The Gambia.
16 There is no standard list of countries considered fragile states, and the group evolves over time. The 10 countries include eight identified as fragile states in a paper prepared in October 2008 for IFAD's Eighth Replenishment, IFAD's role in fragile states (REPL.VIII/4/R.5), as well as two IDA-assisted countries scoring 3.2 or lower on the 2009 CPIA (Pakistan and Yemen).
17 Seventy-two PMD staff responded to the survey. CPMs and CPOs comprised two thirds of respondents; and more than 50 per cent of all CPMs and CPOs participated. Only responses from CPMs or CPOs are included. There were no significant variations among the director, regional economist or programme assistant groups.

located in-country, IFAD's transition to direct supervision would likely have been less effective, and more costly. The important role played by country offices in supervision and implementation support was apparent during the country visits, and highlighted by project management staff and government officials. The visit to Viet Nam found that establishment of the country office and transfer of the CPM from Rome to Hanoi had been instrumental in addressing the growing dissatisfaction of government officials and project staff with the quality of project supervision and implementation support under the cooperating institution.

40. Country offices are generally involved in providing technical input to project design, and ensuring that lessons learned from previous projects and local knowledge are taken into account. They have also contributed to changes in the design of ongoing projects to reflect changing socio-economic conditions in the beneficiary countries and address new government policies. Maintaining IFAD's institutional memory in country has provided continuity to and enriched the country programme. Since mid-2008 country office staff have participated in the design of some 33 projects, about half the total approved by the Executive Board, and the formulation of eight results-based country strategic opportunities programmes (RB-COSOPs), representing more than one third of those reviewed by the Executive Board. Almost all participated in some form of country programme review – including formal mid-term reviews of RB-COSOPs and workshops with government and project staff. They also provided support to evaluations, including CPEs, project completion and interim evaluations, and the thematic evaluation on gender (see section III, page 4 for a summary of evaluation findings).

41. The country offices have been instrumental in negotiating with governments and other stakeholders on the timing of supervision and implementation support missions, and in many cases provided leadership for these missions. Because of their proximity to the projects, country office staff are more readily able to follow up on mission recommendations through post-supervision visits to the projects. In terms of implementation support, country offices have played a key role in prior review of annual workplans and budgets (AWPBs), withdrawal applications and procurement documents. They have worked with project directors to tighten financial management and improve monitoring and evaluation (M&E). Most offices have also followed up on submission of audit reports.

42. IFAD's programme of work has increased steadily over the last five years, and the number of projects in the current portfolio is expected to rise accordingly. This has a considerable impact not only on design processes within IFAD, but more importantly on supervision and implementation support. Table 2 below shows projects in the current portfolio and projects directly supervised by IFAD over the past four years. As shown the number of projects supervised by IFAD has more than doubled since 2007. By the end of 2010, 92 per cent of projects in the current portfolio were being supervised by IFAD, more than half of them in countries with a country office.

Table 2
Directly supervised projects 2007-2010

	2007	*2008*	*2009*	*2010*
Projects in current portfolio	238	243	251	265
Projects in ongoing portfolio	196	205	221	234
Supervised by IFAD	98	159	186	215
Percentage of ongoing	50%	78%	84%	92%
Supervised with country office	61	89	100	117
Percentage of directly supervised	62%	56%	54%	54%

43. An analysis of missions carried out during the one-year period 1 July 2009 to 30 June 2010 provides an indication of the contribution made by country offices to implementation, in particular supervision. During that period, some kind of formal

implementation support was provided to nearly all projects in countries with country offices. Most of this support was through formal supervision or implementation support missions. Staff from country offices participated in about 75 per cent of supervision and half of implementation support missions. In all, country office staff contributed to close to two thirds of the implementation-related missions fielded in these countries.

Table 3
Implementation missions carried out in countries with country offices[a]

	Number	of which, country office participation	Per cent
Ongoing projects	*112*		
Supervision missions	*73*	*53*	*73%*
Mid-term reviews	*10*	*3*	*30%*
Implementation support[b]	*26*	*13*	*50%*
Total for CPPcountries	*109*	*69*	*63%*

a 1 July 2009 to 30 Jun 2010. Includes only those missions for which documentation was available.
b This figure may be underreported; includes only those missions for which a formal report was available at IFAD headquarters and does not include follow-up missions.

Loan administration

44. Each region has been exploring the potential role of country offices in accelerating the processing of withdrawal applications. The initial quality (accuracy and compliance with IFAD's guidelines) of withdrawal applications prepared by IFAD projects has been a significant factor in processing delays (time elapsed from submission to disbursement of loan or grant proceeds). Regional divisions have involved the country offices in training project staff to improve quality and check withdrawal applications before they are submitted to headquarters. This input seems to have helped reduce overall processing time and workload at headquarters. Despite this progress, however, considerable delays can still occur either in the country or in checking/clearance of withdrawal applications by the regional divisions.

45. Country offices could play a more prominent role in the disbursement process, particularly to ensure completeness and appropriate signatures on all withdrawal applications. Their role in the process needs to be formalized with project managers and other government stakeholders.

B.   Partnerships

46. Policy dialogue and partnership activities are extremely time-intensive, and much of the work involved takes place in-country. The increased time spent in-country by CPMs for direct supervision has provided occasions to nurture new and existing partnerships, but the CPP has provided IFAD with an opportunity to meet more regularly with its partners in-country. IFAD is a full member of the United Nations Country Team in almost[18] all of the CPP countries. Through its country offices, IFAD has participated actively in the United Nations Development Assistance Framework (UNDAF) in most countries. IFAD country presence appears to allow for greater participation in both government- and donor-led thematic groups. Over a three-year period, IFAD client surveys rated countries with country offices better in terms of harmonization than those without; however, the difference is slight and not statistically significant. Five of the CPP countries are part of the pilot One United Nations Initiative, two of which have an outposted CPM.

47. About one third of perception survey respondents reported at least monthly participation in government-led groups, while the figure reached 60 per cent for

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18   The United Nations Country Team in Nigeria is composed only of internationally recruited staff and therefore IFAD is not a regular member.

donor-led groups. There was little difference between headquarters CPMs (with and without a country office) in terms of participation. Country visits and interviews with CPP staff indicated that they were often expected to attend meetings (particularly at host agencies) that frequently had little relation to the IFAD country programme.

48. Country office staff regularly contribute to donor thematic groups on agriculture, food security and others relevant to the country programme, e.g. business development services in Kenya and gender in Panama. Other examples of partnerships facilitated by the country offices include reflecting IFAD priorities in development partners' strategies, including Comprehensive Africa Agriculture Development Programme (CAADP) processes and joint sector work in agriculture.

49. There is no discernible difference in terms of total cofinancing mobilized for projects in countries with and without country offices. Domestic financing in those with country offices appears to be much greater than in those without, and cofinancing in those countries with an office accounts for just over one third of external cofinancing mobilized during the period. The higher domestic contribution may indicate greater alignment with government policies of projects in countries with a country office, and more knowledge about potential domestic financing. Care needs to be taken in interpreting these numbers, however, as cofinancing is inherently project-specific: partners contribute financing to projects based on the fit between IFAD projects and their own poverty reduction goals and strategies.

Table 4
Project financing (2008 to 2010, in US$000)

Source	2008	2009	2010	2008-2010
IFAD	556.5	677.1	807.4	2 041.0
% countries with CO	59%	54%	46%	52%
Domestic	282.7	369.5	941.8	1 594.0
% countries with CO	69%	54%	74%	69%
Cofinanciers	305.0	313.4	688.6	1 307.0
% countries with CO	63%	31%	27%	36%
All financiers	1 144.3	1 360.0	2 437.7	4 942.0
% countries with CO	63%	48%	52%	53%

50. Most perception survey respondents identified finance or agriculture ministries as the main partners (88 per cent and 92 per cent, respectively). Some 46 per cent named district/local governments as IFAD's main partners. Outposted CPMs and CPOs identified district/local government more often than headquarters-based CPMs, indicating perhaps that country presence contributes very directly at the grass roots.

51. Relations with other IFIs or multilaterals were clearly perceived by survey respondents to be the most satisfactory among all partner groups, and were given a positive rating by about two thirds of respondents. All categories of CPMs, however, held a less positive view of the IFI/multilaterals than CPOs, at just over 60 per cent positive. Although more than half of respondents perceive positive relations with other United Nations agencies or bilateral agencies, again perceptions are markedly more positive for CPOs (70 per cent and 65 per cent respectively) than for CPMs. It appears that the majority of respondents feel that relations with NGOs, civil society and the private sector could be improved. Better relations with the latter groups were one of the projected outputs under the pilot, and do not appear to have materialized.

Table 5
Perception survey — Relations with other stakeholders

	Positive		Moderately satisfactory	Moderately unsatisfactory	Unsatisfactory	No opinion or blank
	Highly satisfactory	Satisfactory				
Other IFIs/multilaterals	21%	48%	21%	4%	0%	6%
Other United Nations agencies	13%	42%	23%	17%	0%	6%
Bilateral agencies	8%	46%	25%	13%	2%	6%
NGOs	8%	29%	33%	15%	4%	10%
Civil society	15%	27%	33%	13%	4%	8%
Private sector	15%	21%	27%	17%	8%	12%

C. Policy dialogue

52. Effective policy dialogue needs to build on proven cases and experiences, providing evidence and persuasive success stories. IFAD country office staff is well placed to identify project experiences that can be used to influence local and national policies. The main areas for policy are driven by the IFAD country programme objectives as well as government strategies and priorities. Not surprisingly, the overwhelming majority of CPMs/CPOs engage in policy dialogue to facilitate rural poverty reduction. Other important areas include rural finance and natural resource management.

53. The vast majority of perception survey respondents (about 94 per cent) consider the IFAD country programme to be aligned or fully aligned with national mechanisms and objectives for rural poverty reduction. There is virtually no difference among CPMs; the less positive rating of "somewhat aligned" was given by one CPO. These findings are echoed by the client survey, where alignment with government processes and strategies was consistently the highest rated.

54. Country office staff are routinely requested by governments to participate in government-led working groups and meetings. Most offices participate in thematic groups on agriculture, rural development and food security. In Kenya, it was felt that country presence has raised the profile of IFAD in government circles as an important development partner and has led to greater involvement in policy dialogue, especially through donor coordination and thematic groups. The offices in Mozambique, Rwanda and Tanzania continue to play an active role in policy development in the context of meetings of SWAp steering committees. Other examples of policy dialogue in which country offices have played an important role include helping governments to prepare and implement national strategies on water management, banking and microfinance, and livestock disease control. The three-year average for IFAD's participation in policy dialogue by the client survey was slightly better for countries with country offices (4.64) than for those without (4.54). However, facilitation of policy dialogue showed the opposite results with countries without a country office rated marginally better.

55. The perception survey showed that outposted CPMs engage in policy dialogue much more frequently than the other job categories, followed by CPMs at headquarters without a formally approved country office.

Table 6
Perception survey — Frequency of policy dialogue

Job category	Very frequently	Frequently	Often	Sometimes	Occasionally	(blank)
CPO	18%	24%	29%	24%	0%	6%
CPM at headquarters	33%	28%	6%	6%	22%	6%
CPM at headquarters with a country office	22%	22%	11%	44%	0%	0%
Outposted CPM	25%	50%	0%	25%	0%	0%
Total	25%	27%	15%	21%	8%	4%

56.   One of the outcome indicators for the FPPP related to IFAD's success in reducing institutional and policy obstacles to rural poverty reduction. The survey respondents perceived IFAD as relatively successful in reducing institutional obstacles to rural poverty reduction (50 per cent of respondents). IFAD is perceived to be less successful in reducing policy obstacles, with positive ratings from only 40 per cent of respondents. Headquarters CPMs were decidedly less sanguine, with the largest share rating IFAD's success as moderately satisfactory or lower.

57.   In identifying areas where IFAD has played a role in changing institutional orientation in favour of rural poverty reduction, many respondents cited greater government responsiveness to participation of farmers' organization, community groups and the private sector. Representative examples include:

- A recently released agriculture development plan builds on some of key elements of IFAD-funded projects (small irrigation, rural finance);

- A recently developed development sector investment plan places emphasis on promoting public-private partnerships where small farmers are directly linked to private investors and enabling small farmers to easily access new technology, markets and a voice in subsectors; and

- Land tenure security recognized as an important condition for rural growth, with the ministry focusing on sustainable natural resource management techniques rather than quick and visible approaches, and taking a less interventionist approach to rural finance.

58.   An outcome indicator under the FPPP (classified under knowledge management) related to IFAD's ability to monitor or participate in policy dialogue. Just under two thirds of perception survey respondents felt that IFAD's ability has improved or substantially improved over the last three years. This is correlated to frequency, i.e. those CPMs that engage most frequently in policy dialogue scored IFAD's ability to monitor or participate most highly, and outposted CPMs felt that this ability had substantially improved. The positive responses from CPOs are likely related less to participation in policy dialogue than their ability to monitor it more effectively in-country. Somewhat troubling were the responses from headquarters CPMs with country offices; only 44 per cent felt that this ability had improved or substantially improved, and close to one quarter felt there had been no change.

D. Knowledge management and innovation

59.   Knowledge management is an important focus area for country offices that is often difficult to isolate from supervision and policy dialogue. Knowledge management activities have focused mainly on inter-project exchange of knowledge and experiences. Country offices play a key role in facilitating country programme management teams (CPMTs). The country offices have organized team building workshops and annual country programme review workshops. Country programme reviews by the CPMT (which includes representatives of government and other stakeholders) have proved to be an effective way of sharing knowledge. Process and outcome indicators under the FPPP related to more regular knowledge sharing events in-country and enhanced lesson sharing. From the perception survey, it

appears that most knowledge sharing events are held on a quarterly or semi-annual basis. However, since an equal share of events are reported as occurring monthly or annually, judging from the answers (in particular the headquarters CPM who holds weekly events), the question should have been articulated with greater precision.

60. Knowledge management is one of the dimensions that has been accorded relatively less importance by the CPMs and CPOs. However, there are some good examples of knowledge management internalized at country offices. Although implementation support is seen as one of their more important functions, in Kenya policy dialogue and knowledge management - especially through experience sharing - were perceived as key. The Philippines country office, in partnership with a government agency, has organized a knowledge learning market for the last four years. The market provides a forum for demonstrating and sharing knowledge from a wide cross section of actors.

61. A majority of the survey respondents felt that IFAD's country knowledge base has improved or substantially improved over the last three years.[19] Surprisingly, many CPMs at headquarters with a country office considered the knowledge base only somewhat improved. Similarly, half of the outposted CPMs saw no change. It is likely that direct supervision has had a role in improving IFAD's knowledge base.

62. The country offices have been least effective in the area of innovation. This is largely attributable to the limited resources – both human and capital – that can be devoted to innovation. It is difficult to separate the innovations developed by country offices from those advanced by IFAD-financed projects. Country offices are well placed to identify innovations for scaling up in other IFAD-financed projects or by other development partners. Most of the innovations reported in progress reports were at project level, and cannot be attributed to the country office. In future, innovation at country offices should be more focused on scouting for innovations and facilitating the scaling up of successful innovations, rather than on creating them.

E. Local capacity-building

63. Capacity-building efforts are focused mainly on M&E and financial management. Country visits found project staff highly appreciative of country office assistance and support, but there is a danger of building dependency rather than capacity. Relatively high turnover among project staff (many of whom are delegated by government) sometimes results in the need for repetitive assistance, particularly with respect to financing flows and withdrawal applications.

64. IFAD country office are viewed very positively by stakeholders; staff are well respected and liked, providing a very positive "face" for IFAD. Support provided to project and government staff is highly appreciated. Stakeholders noted the need for additional staff, without however indicating reasons.

VII. Operational efficiency

65. Statistical comparisons have been used to measure the operational efficiency of the country offices. The time period covered by most of the analyses is 1 January 2007 to 31 December 2010. Twenty-four offices, covering 26 countries, were considered largely operational during those years (in some cases as proxy offices for part of the time) and are included in the group of CPP countries - those with country offices (see annex II). Comparisons were made between CPP and non-CPP countries, as well as between offices led by CPMs[20] and those led by CPOs. In

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[19] An outcome indicator of the FPPP.

[20] While CPMs were not outposted during the entire period of the analysis, for comparative purposes CPM presence was assumed in five countries (Kenya, Panama, The Sudan, Tanzania, Viet Nam,), close to 20 per cent of the cohort of countries, for the entire period.

analysing the statistics, it is important to bear in mind that these are averages and that there are country- and project-specific variations within each group.

66. An analysis of selected project status report (PSR) ratings was carried out to determine whether there is a link between country offices and discernible improvements at project level. The PSR indicators identified were those for which it was felt that country offices could influence the process; and are those identified during the FPPP.

67. The PSR ratings only provide an indication of country office effectiveness in improving performance related to processes. The cohort of CPP countries includes some that have systemic problems related to fragility or security; problems that are not specific to IFAD projects and that cannot be resolved solely by the country office. Table 7 below shows the average PSR ratings (2008-2010) for CPP countries, differentiated between CPM- and CPO-led, and non-CPP countries. On average, countries with a country office perform somewhat better than those without in terms of financial management, disbursement, availability of counterpart funds and compliance with procurement procedures. Financial management and procurement are rated significantly better for CPO-led offices, which likely reflects efforts related to training and capacity-building. Countries with CPM-led offices were rated markedly better for disbursement, which may be a function of their more intimate knowledge of IFAD and its procedures. Although the other three indicators were rated slightly better for non-CPP countries, the differences are minor, with the exception of quality and timeliness of audit. The low rating for M&E for all projects remains troubling, and would appear to be an area where country offices could play a positive role. Results and Impact Management System (RIMS) reporting provides an indication of M&E compliance with IFAD reporting requirements. In this regard, there is room for improvement for projects in countries with a country office. Over the last three years, the percentage of projects reporting from these countries has consistently been below the IFAD average.

Table 7
Comparison of selected PSR ratings: three-year average

Indicator	CPP countries			non-CPP countries
	CPO-led	CPM-led	CPP average	
Financial management	4.22	3.79	4.11	4.01
Acceptable disbursement rate	4.02	4.28	4.08	4.06
Availability of counterpart funds	4.42	4.26	4.38	4.34
Compliance with financing covenants	4.39	4.19	4.34	4.35
Quality and timeliness of audit	4.17	3.90	4.10	4.21
Compliance with procurement	4.35	4.10	4.29	4.11
Performance of M&E	3.85	3.84	3.85	3.88

68. Timely entry into force (effectiveness) is an indicator of efficiency, albeit highly dependent on internal country processes and the ease with which conditions of effectiveness can be met – and is both project- and country-specific. One hundred and forty projects entered into force during the period 1 January 2007 to 31 December 2010, an average of about 35 projects per year.[21] About 45 per cent of projects that entered into force during that period were located in countries served by an operational country office. The analysis shows that projects in countries with a country office entered into force about one month faster on average over the last four years than projects in countries without, and two months faster compared to the benchmark year (2006). Projects in countries with CPM-led offices showed the largest improvement, entering into force on average about three months faster than projects in countries with CPO-led offices and five months

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[21] . Thirty projects entered into force during 2006, which is considered a reasonable benchmark as only a few country offices had been operational for more than one year at that time,.

faster than those without an operational office. However, as projects in CPM countries represent less than 10 per cent of projects entering into force since 2008, this figure should be viewed as indicative only. Due to the changes in the General Conditions for Agricultural Development Financing whereby most projects will enter into force on signature, this indicator is not considered to be useful in future, borne out by the almost identical time lapses for CPP and non-CPP countries in 2010.

Table 8
Average period from Executive Board approval to entry into force (months)

Year of entry into force	Number of projects	CPP countries			Non-CPP countries	Average
		CPO-led	CPM-led	CPP countries		
2006	30					14.16
2007	34			17.25	14.76	16.01
2008	32	10.75	11.77	10.90	14.98	13.33
2009	38	10.88	4.96	9.40	12.56	11.23
2010	36	11.05	9.14	10.57	10.52	10.54
Average		10.90	8.00	12.17	13.11	12.95

Note: Figures for 2007 include some country offices that were not fully operational.

69. The average period from approval to first disbursement is the indicator used in the Result Management Framework (RMF) as one measure of IFAD's efficiency. First disbursements were made to 123 projects during the period 1 January 2007 to 31 December 2010, about 45 per cent of them in countries with country offices. The first disbursement was made for an average of about 30 projects per year, and 28 projects in 2006, the benchmark year. Trends for this indicator follow a similar pattern as for entry into force. First disbursements were made in countries with a country office on average more than one month faster than those without, and about two months faster than the benchmark year. Projects in countries with CPM-led offices are likely to make the first disbursement in a significantly shorter period than those in other countries. As with the above indicator, there is a caveat with regard to CPM-led offices: the small sample size (11 projects) and the fact that the indicator is highly project-specific and dependent on internal country processes. Changes in IFAD's operating model also likely contributed to the reduction from the benchmark year for all projects.

Table 9
Average period from approval to first disbursement (months)

Year of first disbursement	Number of projects	CPP countries			Non-CPP countries	Average
		CPO-led	CPM-led	CPP countries		
2006	28					20.03
2007	29			19.76	17.28	18.65
2008	35	21.40	14.58	20.12	17.67	18.79
2009	38	17.03	10.73	15.92	20.07	18.21
2010	21	11.53		11.53	19.89	17.50
Average		17.75	12.65	17.99	19.24	18.67

Note: Figures for 2007 include some country offices that were not fully operational. CPMs may not have been outposted for the full period.

70. As the size of IFAD financing varies considerably across projects, disbursement as a percentage of disbursable[22] was considered a more reliable and equitable indicator to measure disbursement performance than disbursement percentages or values. As with the above indicators, disbursement is highly project specific and may also be influenced by disbursement rates of other partners. Projects in countries CPP disburse about the same as projects in non-CPP countries (Table 10), although there are significant year-to-year fluctuations, however, the average for CPP

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[22] Amount disbursed during the year as a percentage of available, i.e., funds approved but not yet disbursed, net of cancellations.

countries in the last two years is higher, and the fluctuations are less pronounced. The recent improvement in terms of disbursement (as a function of disbursable) may be due to a greater understanding on the part of country office staff of disbursement procedures and capacity-building efforts.

Table 10
Disbursement as per cent of disbursable

	2006	2007	2008	2009	2010
CPP countries		16.0%	14.4%	15.3%	15.1%
non-CPP countries		14.7%	17.0%	13.7%	16.4%
IFAD average	15.9%	15.4%	15.6%	14.6%	15.7%

71. Time overruns of completed projects are also an important measure of efficiency. Although most of the projects completed during the last four years began implementation before a country office was established, over the longer-term, it will be a useful indicator of project efficiency. Over this period, projects in CPP countries had a lower percentage of time overruns, 18 per cent as compared to about 27 per cent.[23] The CPP countries also compare favourably to the IFAD average of about 23 per cent during this period. For both groups there was a substantial decrease from the benchmark of 32 per cent in 2006, a 45 per cent decline for CPP countries and 17 per cent for non-CPP countries. This trend is further borne out by an analysis of the number of extensions approved. During the period, 107 extensions of completion were granted (number does not correspond to the number of completed projects as some may have been extended more than once); of these 57 per cent were for projects in non-CPP countries. Implementation periods were somewhat shorter in CPP countries during the period, about 7.8 years for projects in CPP countries as compared to 7.9 in non-CPP countries.

VIII. Institutional arrangements

A. Organization of country offices

72. Under the country presence programme, two main models of organizational arrangements have emerged (Table 11). Under the first model, which applies to 18 of the 30 countries, a country national has been employed as the country programme officer (CPO). The CPM retains the overall management responsibility for the country programme from headquarters and, when needed, formally represents IFAD in meetings with the government and other partners. Under the second model,[24] the CPM is outposted to the country office and takes full responsibility for managing the office and the country programme, and is supported in this role by staff recruited locally and at headquarters. The authorities and responsibilities of CPMs and CPOs, as outlined in the President's Bulletin (PB/2008/05) on procedures for administering IFAD's country offices, are presented in annex V. This division of labour between CPM and CPO is further clarified in the terms of reference for the CPO and/or through annual work programme planning.

73. Under the current arrangements, no specific criteria are applied in deciding whether to outpost a CPM to a particular country, however, CPMs in general have been outposted to countries with relatively large portfolios. Whether based at headquarters or in the field, the CPM is responsible for management of the country office and its staff, providing regular guidance on a range of subjects, especially on issues related to policy, loan administration and procurement.

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[23] Analysis comprises 90 projects during the period 2007-2010, and 21 projects in 2006. Projects with negative time overruns, i.e., those that were completed before the original completion date are not included.
[24] By the end of 2010 the plan was to have 12 CPMs outposted in country offices, but the progress has been slower than expected.

74. In Kenya, a third organizational model is being tried out – the country office also serves as a regional service centre to support intraregional initiatives. The Nairobi office has a country programme component headed by the CPM, and regional hub functions. The regional hub is responsible for loan administration for all countries in the region and also includes thematic staff (currently covering gender, knowledge management and land issues). The Nairobi-based finance and loan administration unit covers 16 countries in ESA serving the 54 projects in the current portfolio.

75. Although the overall approach and strategies for subregional service centres is still evolving, experience gained so far suggests that regional or subregional offices may reduce the need for frequent travel from headquarters, facilitate more effective delivery of services and improve communication. Subregional hubs could be a cost-efficient approach to providing implementation support and ensuring improved oversight/compliance with fiduciary requirements in countries with small programmes. This would be especially effective for countries more distant from headquarters, e.g. in the LAC region. It is unclear what can be achieved through a regional or subregional hub in terms of policy dialogue and partnership building.

76. A limited number of offices were designed under the pilot to cover two countries (Congo/Congo DR and Senegal/Gambia).[25] In other cases, a more informal arrangement has emerged whereby an outposted CPM also covers countries that are not considered part of the CPP, e.g. the CPM for Viet Nam was also responsible for Laos and the CPM for Panama also supports the English-speaking countries of the Caribbean. However, experience shows that two countries are not effectively covered by a one-person office or a CPM-led office where the host country has a large programme. The contractual arrangements and privileges and immunities for CPOs limit their ability to work in more than one country.

77. Thus, in terms of organizational arrangements for the country offices, the expansion phase has to some extent responded to the recommendations made by the evaluation, i.e. "to expand the programme to allow systematic experimentation with alternative country presence models, i.e., outpost additional CPMs and establish subregional offices". The three models outlined above appear to be the most viable given IFAD's resources and requirements stemming from host country agreements.

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[25] The office in Tanzania was originally planned to also cover Malawi and the one in China to cover Mongolia and Korea DPR. The satellite countries were dropped early in the pilot, as the primary office did not have sufficient staffing to cover more than one country.

Table 11
Current organizational status of the country offices[a]/

Region	Country	Pilot[a]	Operational	CPM-led	Outposted	EB approval
APR	China	x	x			2007
APR	India	x	x			2007
APR	Nepal		x			2008
APR	Pakistan		x	x		2008
APR	Philippines		x			2009
APR	Sri Lanka		x	x		2008
APR	Viet Nam	x	x	x	Yes	2007
ESA	Ethiopia[b]	x	x	x	Yes	2007
ESA	Kenya[c]		x	x	Yes	2008
ESA	Madagascar		x			2008
ESA	Mozambique		x			2008
ESA	Rwanda		x			2008
ESA	Tanzania	x	x	x	Yes	2007
ESA	Uganda	x	x			2008
ESA	Zambia		x			2009
LAC	Bolivia					2008
LAC	Brazil					2008
LAC	Haiti	x	x			2007
LAC	Panama		x	x	Yes	2007
LAC	Peru	x	x	x		2007
NEN	Egypt	x	x			2007
NEN	Sudan	x	x	x	Yes	2007
NEN	Yemen	x	x			2007
WCA	Burkina Faso					2008
WCA	Cameroon			x		2009
WCA	Congo DR/Congo	x	x			2007
WCA	Ghana			x		2008
WCA	Guinea					2008
WCA	Nigeria	x	x			2007
WCA	Senegal/Gambia	x	x	x		2007
IFAD		**14**	**24**	**12**	**6**	**30**

a/ An office in Honduras/Nicaragua was included under the pilot, but not extended into the second phase.
b/ Accreditation of the CPM to Ethiopia was not completed until 2011, however, the CPM spent considerable time in country.
c/ Office includes some regional functions.

B. Host country agreements

78. Article 10, section 2(a), of the Agreement Establishing IFAD grants privileges to the Fund: "in the territory of each of its Members such privileges and immunities as are necessary for the exercise of its functions and for the fulfilment of its objective". In the case of the Member States that have acceded to the 1947 General Convention on Privileges and Immunities of the United Nations Specialized Agencies (Vienna Convention), these privileges and immunities are specified in the standard clauses of that convention. Despite this, most host governments have indicated their desire to sign a host country agreement with IFAD. The host country agreement (HCA) enables IFAD to establish a country office with full representational status and immunities, as well as outlining benefits (generally related to accreditation, taxes, etc.) and is an important step to formalizing IFAD's presence in a given country. The HCA demonstrates the country's commitment to IFAD's operations and raises the profile of the institution/office in the country, as well as providing added assurance to the outposted staff and family. Nine host country agreements (Colombia, Ethiopia, Ghana, Kenya, Panama, Rwanda, Tanzania, Viet Nam and Zambia) have been completed. Two are being finalized (Sudan and Uganda). Draft agreements have been sent to 14 other countries and formal requests have been sent to four other governments. No action is being taken in the case of Haiti as no request has yet been received.

79. Progress in this area has been slow. The average lapse of time for the agreements signed thus far, between the initial note verbale to signing of the agreement, is about one year, ranging from a low of just under four months for the HCA in Zambia to a high of about 26 months to sign an HCA with Ethiopia. The length of this process has had an impact on CPP progress, since international staff should not be posted to countries before an HCA has been signed and in some countries (in Latin America), an HCA is a *prima facie* requirement to directly contract nationals of the country. While in many cases delays have been due to processing of applications by the host countries, lack of full understanding of the country-specific procedures/processes at headquarters has also been a contributory factor. Progress should be reviewed at regular intervals by the ADM focal point, Legal Advisor and the CPM for the country concerned to ensure that correct procedures are being followed and specific responsibility for follow-up actions has been assigned and is being followed up in each case.

C. Host agencies

80. Under the current administrative procedures, IFAD's country offices are normally hosted by a United Nations agency, principally UNDP. Hosting arrangements in force as at 31 December 2010 are shown in Table 12. Host agency agreements have been entered into between IFAD and the UNDP for all the country offices, and with the United Nations Office at Nairobi (UNON) for the Kenya office. Formal agreements have not been entered for the offices hosted by FAO, while two agreements have been signed for the offices hosted by WFP.

81. To facilitate this process, a framework agreement was signed with UNDP New York 30 September 2008. The framework agreement stipulated that "UNDP plans to assist IFAD in the provision of necessary services, fully taking into account the size and capacity of the UNDP country office" with specific reference to the provision of office space, administrative services and the procurement of goods and services. The Framework Agreement noted that a country level memorandum of understanding (MOU) would set forth, in detail, arrangements for a specific office.[26] In August 2009, an amendment to this agreement was signed, which defines services that would be provided by UNDP for staff directly hired by IFAD. This amendment governs recruiting and contracting of staff, and provides for UNDP payroll support to staff either hired directly by IFAD or through UNDP on behalf of IFAD. With the exception of UNDP, there is no corporate level agreement between IFAD and any other United Nations agency. Preparatory work has been done for corporate agreements with FAO and WFP but there has been little movement to date in this regard.

82. Among United Nations agencies, FAO and WFP are other alternative choices. IFAD country offices hosted by IFIs (e.g. the World Bank, ADB and AfDB) are also possible choices, but in practice none of the IFAD country offices are being hosted by IFIs, due to the high rental and other costs foreseen. The Nairobi office has an agreement with UNON,[27] which became an alternative to a poorly performing country level agreement with UNDP. As IFAD is a partner of the One United Nations initiative, this initiative has a bearing on arrangements of some country offices. [28] Until the One United Nations pilot becomes fully operational, the Viet Nam country office, which is part of this pilot, is renting office space from a satellite UNDP building but procures administrative services locally.

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26 Such agreements are governed by the UNDP's Universal Price List, and resources of specific UNDP offices.
27 Since the early 1990s, the United Nations office at Nairobi (UNON) has been the administrative hub for UNEP and UN-Habitat. UNON provides a broad range of 'common services' (related to financial management, human resources, procurement, safety and security) to other UN organizations, including international conference and IT facilities.
28 The United Nations' Deliver as One pilot initiative started in 2007 to test how the United Nations family can provide development assistance in a more coordinated way in eight countries (Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam). .

Table 12
Host agencies

Host	APR	ESA	LAC	NEN	WCA	Grand Total
FAO		4	1	1		6
Government[a]		1				1
UNDP	3	2	4	2	6	17
UNON		1				1
WFP	3					3
Undefined[b]	1				1	2
Grand total	7	8	5	3	7	30

a   Office in Madagascar was hosted by government when it worked as a proxy; negotiations with other hosting agencies are under way.
b   Includes offices in Guinea and Pakistan.

83. The host agency agreements or MOUs have been routinely extended through an exchange of letters. The original agreements, however, are lacking in detail and do not provide for adequate enforcement, particularly related to information technology (IT). To assist CPMs in negotiating future or amended agreements, in 2010 a template was prepared by ADM to serve as the basis for the country level agreement. This would allow each office to negotiate a detailed agreement covering their specific needs.

84. While overall relations with the hosting agencies are considered to be satisfactory, many offices find that the services provided, especially by UNDP, are only moderately satisfactory. UNDP procedures are inherently bureaucratic and slow, and not very responsive to operational needs of the IFAD country offices/ operations. In several cases, the financial statements are received late with inaccuracies, thus delaying replenishment of the IFAD accounts. This has resulted in some cases in the staff salaries not being paid (for several months).

85. Most country offices are allocated one office at the host agency; such space is adequate for one person but the offices are often cramped in cases where there is other staff. In general the offices are not large enough to accommodate consultants or function as work space for visiting CPMs. While IFAD can use common meeting rooms, in practice these are difficult to schedule. In addition, many of the host agencies are upgrading their facilities to meet Minimum Operating Security Standards (MOSS) or for other reasons. This often entails a change to new offices or charges assessed to hosted agencies for renovation works. For example, in Viet Nam, the construction of the One United Nations building is a joint endeavour of the Government of Viet Nam, the United Nations Country Team (UNCT) and the donor community. Once complete, this building is also expected to house the IFAD country office. In a number of countries, IFAD is being asked for financial contributions to upgrade the facilities. As yet, no budgetary provision has been made in the administrative budget to accommodate these needs.

86. Information flows at headquarters regarding hosting arrangements are not adequate. Different units at headquarters are aware of issues pertinent to their responsibilities, but regular reviews of issues are not carried out for the organization as a whole.

87. **Mobility.** Transportation is citied as a key constraint by many of the country offices. In most countries, public transportation is not suitable for country office staff who often must go from one venue to another within a limited time period. In addition, due to security concerns, taxis or other private vehicles are often not allowed to enter the immediate perimeters of government or donor offices. Vehicles have been procured for some eight offices, with the remaining ones obliged to rely on the host agency when a vehicle is needed. In practice, vehicles are normally not available from the host agencies, in which case the country offices have been

obliged to rent vehicles locally, and then MOSS compliance becomes an issue. In some cases, project vehicles have been requisitioned to accommodate the needs of visiting CPMs or missions, with the expected repercussions on project implementation and good will. The work of the country offices would appear to be facilitated by the inclusion of a vehicle.

88. As the host country agreements do not cover the importation of vehicles for official use, procurement of such vehicles should be carried out by the host agency using its own guidelines and be MOSS-compliant. Insurance coverage would be effected by the host agency, which would also insure any liability. Disposal of the assets should follow procedures applied by the host agency.

IX. Human resources management

A. Staffing

89. By and large, the pilot phase design envisaged a "single field presence person to be responsible for [these] diverse range of activities, requiring different experiences, competencies and skills that, under normal circumstances, are not easy to identify in one individual."[29] Both the staffing and the functions of the offices have evolved over time in relation to scope and coverage of the work programme, especially the role in supervision and implementation support. As a result, the staffing levels have varied across countries and regions, with the increased human and financial resources needed coming from the programmatic budget. As some staff were recruited under consultancy or special service contracts, it is not easy to identify exact numbers of staff over time. At present, from a human resource management perspective, there is only limited oversight in terms of size or composition of country offices, and guidelines or criteria governing staffing of country offices are yet to be developed. Table 13 provides an estimate of the staffing at country offices as at the end of 2010.

Table 13
Country office staffing levels

Region	Outposted CPMs	Outposted ACPMs	Other Professional	CPOs	Support Staff	Total
APR	1		2	7	4	14
ESA	3	3	5	7	8	26
LAC	1		2	1	3	7
NEN	1			3	1	5
WCA				5	6	11
IFAD	6	3	9	23	22	63

Figures do not include staff for which the recruitment process is not completed, i.e., Portfolio Advisor and Associate Programme Officer (ESA) and does not include APOs.

90. While some variations in staffing levels of country offices can be expected depending on specific circumstances, most offices with an average portfolio size of three to four ongoing projects and one project under design have a CPO and an administrative support staff. National consultants are recruited to support financial management and procurement functions. This basic composition also applies when a CPM is outposted to a country office. The exceptions to this general practice include India, with a large country portfolio, and Kenya, where the office provides regional services. In 2010, ESA experimented with outposting Associate CPMs (ACPMs) to a limited number of offices (in Ethiopia, Kenya and Madagascar).

91. For the Kenya programme with an outposted CPM, an ACPM (rather than a CPO) has been outposted and shares responsibilities with the CPM. This, together with an administrative assistant, is more or less in line with similar offices in other countries. A portfolio advisor is being recruited to administer the Nairobi office and oversee regional functions. The Financial and Loan Administration Unit reviews and

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[29] Evaluation Report, paragraph 33.

reconciles withdrawal applications and trains project financial management staff. Four thematic specialists are in place (a land tenure advisor, gender specialist, financial analyst and knowledge management specialist), supported by an administrative assistant, IT assistant and driver. Support staff also assist the Kenya country programme and thematic specialists participate in project formulation and supervision missions for the Kenya programme as needed.

B. National staff

92. The single most important issue facing the country offices concerns the terms and conditions of employment for national staff. In most countries CPOs and country programme assistants (CPAs) were hired under consultancy contracts and some have been working for many years under these arrangements. The most common arrangement for CPOs has been an 11-month/one-year contract, followed by a break for one month before renewal and without benefits. Contracts for CPAs can be for shorter periods. In the second quarter of 2009, IFAD finally agreed to directly contract most of its locally recruited CPOs and general service staff. However, implementation of this decision has been slow due to procedural difficulties. HRD initiated the recruitment/certification process for direct contracting of CPOs and CPAs in 2010. As at 31 December 2010, 22 national staff had been directly contracted by IFAD, or less than half of the national staff cadre. Of those that have received direct contracts, 11 are CPOs, three are other professional staff and eight are CPAs. It is expected that most of the remaining CPOs would be awarded IFAD contracts during 2011. Some staff will remain on contracts issued by the host agencies, "with service limited to IFAD", either because of the nature of the work (general service) or because IFAD does not yet have in place an HCA that in some countries precludes the direct hire by IFAD of national staff.

93. The concurrent work on human resource management and policy changes to institutionalize the CPO and the support staff positions within the organizational structure of IFAD (as is the case with CPM) has not yet commenced. This work should be completed as soon as possible to provide a clear framework for future appointments. This would be a good demonstration of institutional commitment and recognition of contributions made by the national staff.

C. International staff

94. The planned outposting of international staff (CPMs) to the country offices is considerably behind schedule. While the length and complexity of the accreditation process is somewhat to blame for this delay, so too is a lack of interest shown by headquarters staff. One reason for the lack of interest seems to be the uncertainty related to the human resources policy for outposting and re-entry/rotation. Human resources policy concerning these areas is still being developed, but should be completed as soon as possible with a recognition that the benefits package must be attractive both professionally and in terms of benefits (health care, education, housing, travel and home leave). Furthermore, this package should be supported by a well-considered policy for re-entry and rotation of outposted staff. In the long run, IFAD needs a cadre of able and experienced international staff (CPMs) to fill these positions. To meet this need consistently, it would be desirable to develop a strategy to recruit young professionals (ACPMs) who could be developed/trained through on-the-job exposure to work in different regions at the headquarters for two to three years before being considered for field posting.

D. Impact of CPP on headquarters

95. With improved access to IT systems and corporate applications (see paragraph 109), country office staff can take more responsibility for a number of functions, while working with headquarters staff to ensure an equitable division of labour. Examples include preliminary checking of withdrawal applications, data entry into the PeopleSoft application on budget expenditures, preparation of travel authorizations and recruitment of local consultants and data entry of information

into IFAD systems related to projects. A review of terms of reference for in-country and Rome-based staff should be undertaken to rationalize roles and responsibilities in the context of their respective working environments and comparative advantages. This rationalization needs to take into account that an outposted CPM adds to the workload of staff supporting field operations from headquarters.

X. Integration with IFAD's administrative and budgetary processes

96. At the outset of the pilot programme, limited analysis was undertaken to establish the nature and the extent of support needed by the country offices with regards to administrative and budgetary processes. The assumption was that these requirements would be met by suitable agreements with other organizations in the United Nations system, especially UNDP. The senior evaluation advisors noted that "The expanded field presence will not be effective without a comprehensive program of administrative support that addresses induction, training, relocation assistance, information technology enhancements and contractual arrangements." Later CPEs found that "…the current human resources arrangements, level of delegation of authority and resources deployed for the country presence are not of a calibre that would ensure that the country office can play an appropriate role in improving IFAD assistance." [CPE of Nigeria 2009]

97. In September 2007, at its ninety-first session, the Executive Board approved the integration of country offices into IFAD's normal administrative and budget processes. Since that time considerable work has been undertaken to achieve this objective. A focal point has been identified within each support unit or division to facilitate greater integration. Despite these efforts, progress in some areas is slow and important work lies ahead to achieve integration of country offices with IFAD's systems and processes and to strengthen the role of country offices in delivering IFAD's work programme. Critical areas of concern are highlighted below.

A. Financial management

98. **Budget structure, accounts and reporting**. The administrative and programmatic costs associated with country offices are financed from the regional division budgets based on estimates for individual country programmes and office expenses. Since the 2007 evaluation, codes have been introduced in the general ledger (PeopleSoft) that allow for the identification of cost centres (i.e. country offices) as well as an activity code specific to country office administrative costs (0A150). Account codes provide sufficient (perhaps too much) detail to identify the type of expenditure. Changes may need to be introduced to the system or processes to record the costs of outposted international staff as an administrative cost to specific country offices.

99. While the administrative costs of the country offices can be extracted from PeopleSoft, changes should be introduced in processes to allow for reporting on costs incurred by and payments made through the country office that are more programmatic in nature, e.g. related to the country programme — an indication of financial decentralization. While these activities can be coded to the correct project and account code specified, e.g. duty travel, at present the source of the payment (headquarters or country office) is not linked to the activity.

Figure 1
Country office costs (2010)
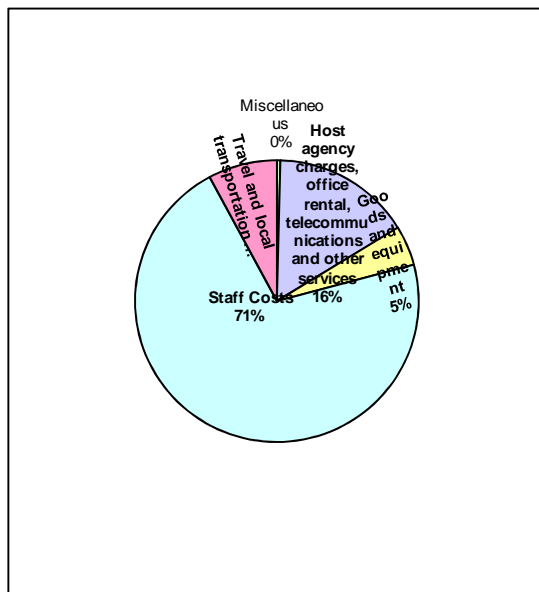
100. The estimated cost (including accruals) of the country offices in 2010 is US$6.5 million, which includes the salaries for outposted international staff (about US$2.2 million.[30] The regional office in Nairobi accounted for about 35 per cent of international staff costs. Average costs for CPO-led offices were around US$157,000 while the five offices[31] led by a CPM averaged about US$472,200. Most of the difference between the two offices relates to the cost of international staff. The cost of the regional office in Nairobi was about US$1.3 million, about 20 per cent of country office costs in 2010.

Source: General Ledger, Controller's and Financial Services Division; Calculations PMD.
Offices included are the 24 operational in 2010:
Congo DR, China, Egypt, Ethiopia, Haiti, India, Kenya, Madagascar, Mozambique, Nepal, Nigeria, Rwanda, Pakistan, Panama, Peru, Philippines, Senegal, Sri Lanka, Sudan, Tanzania, Uganda, Vietnam, Yemen and Zambia.

101. An analysis of the 2010 country office costs for 24 country offices shows that more than 70 per cent of expenditures are for staff salaries and related expenses (includes estimated cost of international staff), about 16 per cent is charges from host agencies (including rental and building maintenance, service charges, communication and security), travel and local transportation account for about 8 per cent of the costs, 5 per cent was spent on goods and equipment and miscellaneous expenditures accounted for a negligible per cent of total costs. Only expenses associated with activity code 0A150 were included in the analysis.

102. The use of the APWB template (included with PB/2008/05 on administrative procedures for country offices) has facilitated financial reporting by country offices, and is particularly helpful in reconciling charges from host agencies. An analysis of the expenses review process and budget structure for IFAD's country presence offices was undertaken by the Office of Audit and Oversight based on 2008 transactions.[32] This highlighted the problem of late submissions and inaccuracies in the statements of receipt and expenditure (SREs) submitted by the hosting institutions (UNDP, FAO, WFP). Statements are submitted late and as they are received from different sources, they are manually entered into IFAD's accounts payable module, increasing the workload at headquarters.[33] Additionally, the late submission of SREs by the host agencies impacts on continued operation of the country offices as the host may not make payments if the funds are not available. IFAD advances additional funds to the host agency when at least 75 per cent of

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30 International staff costs are not incremental, but transfer payments from headquarters' administrative costs.
31 Includes the office in Ethiopia where final accreditation of the CPM had not been completed.
32 Internal Audit Memorandum IAM-09-03. Analysis of expenses reviews process and budget structure for IFAD's country presence offices.
33 Periodicity of statements compounds difficulties, as some show overlapping periods, unravelling of the expenses increases the workload of staff in CFS.

expenditure from previous advance has been justified through SRE submission, but if necessary will advance funds to meet operating requirements.

103. Despite recent improvements, however, the current budget transfer/advance and reconciliation arrangements make it difficult to extract full breakdown of costs associated with each country office. Systematic training of country office staff would help to further improve the accuracy of reporting of expenditures between administrative and programmatic budgets. In addition, headquarters staff may need additional training and some processes may need slight "tweaking" in order to accurately identify costs associated with country offices. Some modifications to the IT system (PeopleSoft) may be required to link budget/expenditure to the country office. This is particularly urgent with respect to payroll, paid either from headquarters or through another service provider. A rigorous and systematic ex ante review (on a sample basis) would also facilitate more accurate coding.

104. Except for the India office (through WFP), and some costs of the Sudan office (through UNDP), programmatic costs are processed directly at IFAD headquarters. Depending on the country situation, there may be opportunities to channel greater amounts of programmatic expenditure through the country offices. In the case of India, most of the day-to-day financial management work has been transferred to the WFP country office under the service agreement, including hiring and payment of local consultants. Issues related to late submissions and lack of detailed reporting on expenditures remains a concern, which makes reconciliation of accounts more difficult and may require additional resources (accounting) to track and control expenses. The India model is unlikely to be replicated by other offices.

105. However, as IFAD's web-based financial system can be accessed by authenticated users (country office staff) from any Internet-connected computer, responsibility for financial management of expenses paid directly by the country office can be transferred to the field, with appropriate delegation of authority. This would help to: (a) improve efficiency, (b) reduce delays caused by problems associated with SREs, and (c) allow transfer of some data entry and accounting functions, e.g. reconciliation and verification work, to the country offices while reducing workload at headquarters.

106. As IFAD's country presence expands, the costs associated with specific country offices, by nature of expense (including programmatic expenses), need to be routinely assessed and reported. This should also include relevant data on the extent to which budget and financial management (both administrative and programmatic) has been transferred to the country offices, and allow for comparisons with more traditional arrangements from headquarters. In order to assess the cost implications of country presence, systematic, transparent reporting on expenditures (against budgets) for country offices needs to be improved.

107. **Advance payment process**. There are a variety of advance payment systems, which make collection and reconciliation of expenditure statements more cumbersome. This summary was extracted from IAM-09-03, which provides a detailed analysis of expenses review process and budget structure.

- *Inter-Office Voucher System (IOV).* Some offices, e.g. those in Ethiopia, Peru and Yemen, utilize the IOV system, where IFAD periodically replenishes a pool of funds held by UNDP-NY based on purchase requisitions raised by the regional division. Funds are disbursed through the UNDP local office based on approved expenditures incurred by the IFAD country office. Reporting to IFAD is provided by UNDP-NY. This system gives improved control to IFAD as monthly reporting is provided and only the amounts approved by IFAD can be spent. However, this system is cumbersome and can only be used where UNDP is the host agency and the UNDP country office wants to use it. Other disadvantages include: (i) increased workload for CFS-Accounting, as well as divisions for regular recording and adjustments of expenditures and budget;

(ii) higher risk of non-accrual at year-end; and (iii) increased cost as UNDP charges for each payment.

- *Advance to host agency country office.* This is the most commonly used system specified in country-level service agreements hosted by UNDP and WFP. Under this system up to 90 per cent of the approved budget is advanced to the host agency. The account is replenished when at least 75 per cent of the advance is utilized and justified using SREs (sent to the division, approved by CPM and entered in PeopleSoft by the division). Under this arrangement, the host agency handles all administrative processing and fund utilization is justified before replenishment. Disadvantages include: (i) large amounts advanced can remain inactive for much of the year; (ii) less control and opportunity to reallocate funds during the year by IFAD; and (iii) potential for inaccuracies as expenditure categories are not always consistent with expenditures reported in SREs.

- *Direct payment.* In the case of Tanzania, the host agency receives no advance and actual expenses are periodically invoiced. A purchase order is used as per standard IFAD procedures. This procedure is unlikely to be widely practiced as the host agency needs to prepay IFAD's expenses. In addition, late invoicing or inclusion of amounts not foreseen makes the verification process complex and difficult.

- *Advance using Travel Expenses Module.* Under this arrangement, an expense advance authorization (EAA) is created in PeopleSoft and an advance is paid to the payee's personal account. Expenditures are accounted for through the travel expenses report (TER). This method avoids delays and other problems caused by host agency transfer/accounting and the ability to check details of expenses provided in the TER. However, as the account is in the name of an individual this arrangement exposes national staff and the institution to unnecessary risks and may not be in compliance with local rules and regulations or financial management best practices. In addition, this arrangement: (i) adds to headquarters administrative work to create EAAs and TERs for each advance, and checks by the budget holder; (ii) can only cover a limited number of expenditure categories; and (iii) bank transfers could be subject to transfer fees, which may be charged to personal accounts.

108. Clearly, there are opportunities for streamlining these arrangements by reaching agreements with host institutions on service provision, advance of funds for office/administrative needs and timely reporting with improved accuracy, Consideration should be given to providing advances through an account in the name of the country office, jointly managed by IFAD headquarters and the country office. Bank accounts for country offices are an important ingredient to improving their overall efficiency and the issue needs to be urgently clarified.

B. Information technology systems and services

109. An increasing number of country offices are making efficiency gains by accessing the web-based IFAD systems, including the systems[34] for withdrawal applications (WATS), the project status reports (PSR online), document repository (//xdesk), the electronic Record Management System (eRMS), PeopleSoft and the corporate email system. In addition, ITC has installed access to IFAD's virtual private network (VPN) in 18 of the 24 operational offices. This software allows access to the IFAD intranet and web-based applications via the internet. PeopleSoft is now being used by many country office staff in the ESA, APR and LAC regions. Access to locally-installed versions of the Loans and Grants System (LGS) and the Project and Portfolio Management System (PPMS) has also been provided to selected country offices. Access to the LGS has been particularly helpful to ESA and CFS in the

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[34] Access to these systems is given to IFAD staff or authenticated users.

processing of withdrawal applications to the Kenya office. In LAC, data entry into PPMS is effected by programme assistants at the country offices and a large number of the financial transactions have been effected through PeopleSoft, initiated at the country level.

110. A staff member dedicated to the country offices and issues related to information technology has proved effective in resolving issues for country offices. Many of the problems, however, need to be resolved locally through an approved national service provider, preferably the host agency's IT unit. Despite this progress, reliability and speed of internet connectivity remains a major obstacle in many countries to integration with IFAD's administrative and financial services. Training of staff is another challenge, which needs coordinated support from ITC and "business owners". Firewalls at host agencies can sometimes block access to IFAD systems, agreements need to be reached with host agencies on the level of connectivity and to allow for access to IFAD systems, including the VPN.

C. Training and communications

111. **Training**. Currently, the main training/exposure of country staff to IFAD systems is through participation in supervision and design missions where they interact with other mission members. Some have also participated in selected headquarters meetings - notably quality enhancement (QE) and quality assurance (QA) - and training courses during their visits to Rome. Country office staff has not received any systematic orientation training in IFAD's organizational structure and key business/corporate processes. This situation is likely to change in the near future as HRD, in partnership with PMD, is preparing to support induction and training of country staff starting from 2011. A new employee orientation course was released in late 2010 and is available on IFAD's intranet. It provides an overview of corporate structure, governance, culture and some services. An induction programme is planned for early 2011 that would provide country office staff with an overview of IFAD, its structure, mandate, business, corporate processes and values.[35]

112. Country office staff are encouraged to participate in training opportunities at IFAD headquarters. Most participated in the corporate-wide training on supervision and seven attended the recent training on procurement. The cost of such training is normally borne by HRD and/or the originating department, with regional divisions responsible for travel-related costs. As there is no specific budget at the corporate level for training of country office staff, it is important in future to ensure that adequate funding and time are made available for induction and thematic training for both country office and headquarters staff. In addition to induction and thematic training, it is important that country office staff are well versed in relevant administrative/contractual procedures and region/country-specific requirements. The country offices also need better (more timely) information on what training opportunities are available in order to plan for their participation.

113. Further development of training approaches needs to take into account the very high costs of delivering training at individual country offices, in view of the limited number of staff at each office. Where possible, implementation of country-level training in partnerships with other development partners should be considered, and/or training organized regionally.

114. **Communication**. With improving IT facilities and a better corporate approach and strategy, communication between headquarters and the country offices have improved with an emphasis on building a global team that seamlessly encompasses the CPP. An important element of the strategy is to enhance corporate visibility in member countries. Country-based CPMs/CPOs are seen as effective spokespersons for the institution and the country offices are being provided with standard IFAD

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[35] This has now been completed.

information/communications kits in order to be in a better position to project the corporate vision and mission. IT tools are being used to include country staff in IFAD-wide and/or divisional staff meetings on important topics. Through video or telephone connections, country office staff now routinely take part in IFAD-wide town hall meetings, allowing them to participate virtually in these important communication events. Regional divisions have also attempted to include country office staff in divisional meetings, although in view of time differences and connectivity issues this has not been completely successful.

XI. Oversight, monitoring and reporting

115. Oversight, policy guidance and progress monitoring of the CPP from 2005 to 2008 was provided by an interdepartmental working group on country presence chaired by the Associate Vice President, Programmes. While the country presence working group helped to raise awareness of issues related to country presence across the organization, it was largely ineffective in resolving some major bottlenecks. In 2008, this group was replaced by a smaller, higher-level body with appropriate decision making authority, the Country Presence Coordination Group (CPCG). This group was jointly chaired by the Associate Vice President, Programmes, and the Chief Finance and Administrative Officer and included representation from key divisions/units. The initial focus of the CPCG has been to review progress of actions being taken to integrate country offices with the administrative and budgetary processes of IFAD, however, since 2010, this group has been inactive.

116. "The direct line of responsibility for the country offices rests with the Assistant President, PMD. Under the supervision of the relevant regional division directors, responsibility for management of particular Country Office rests with the relevant County Programme Manager (CPM)." (PB/2008/05). However, unlike country offices of other IFIs or sister United Nations agencies, the IFAD country offices do not have budgets to finance programmatic activities. Country office and programmatic budget utilization, implementation of the country office work programmes, monitoring and reporting of progress is the responsibility of the CPMs, assisted by the CPOs. Progress reports on the work of country offices are produced every six months, but are of variable quality and do not always provide information on key issues addressed over the reporting period. Most reports are submitted late. Progress on the four focal areas is reported, but not supported by information on indicators being tracked to assess contributions to the overall effectiveness of the country programme/portfolio.

XII. Conclusions and recommendations

117. The objective of the country presence programme (CPP) needs to be more clearly articulated and delinked from the socio-economic situation of the target group. While it can be expected that country offices will have a positive effect on the achievement of development outcomes, the objective of the CPP needs to be more clearly focused on what the country offices can actually do. The objective should be revised to read as follows, "to enhance IFAD's development effectiveness in the context of country situations and priorities". Terms of reference for the country offices in general, and in specific country contexts, should be developed to help ensure that all country offices are focused on achieving the objective.

118. The selection criteria for establishing country offices were adequate during the pilot phase and subsequent expansion of offices. However, several countries that were not selected also fit the criteria. Given limited human and financial resources, the criteria should be strengthened and clearly communicated.

119. In general, both the models (CPO in country office with CPM at HQ or both CPM and CPO in the country office) have achieved good results, particularly in supporting IFAD projects. Results in policy dialogue and partnership are promising, although both governments and partners sometimes prefer the model where the CPM is in

charge of the office and to see his/her direct involvement in policy dialogue and official development assistance coordination forums. The establishment of additional regional service offices should be investigated, including estimates of the costs and benefits (mainly from quicker processing of withdrawal applications and other support services).

120. The country context and capacity of individual country offices should determine the mix of time and resources devoted to any one of the outcomes. However, it is anticipated that alignment of country strategies with the IFAD country programme and supervision and implementation support will be the main focus of the country offices. Keeping the critical importance of country programme and supervision and implementation support on the one hand and context-specific need for knowledge management, partnership building and policy dialogue on the other, specific terms of reference for the country offices as well as staff should be adapted.

121. Effective integration of country offices in IFAD's administrative and budgetary systems is critical to improving their efficiency and effectiveness. Particular areas that need strengthening include:

- Awarding IFAD contracts to national staff;
- Finalization of supporting HR policies and operational guidelines applicable to national staff;
- Development of applicable HR policies for outposting and rotation of international staff,
- Guidance relative to bank accounts for country offices; and
- Adherence to financial reporting requirements (host agency and country office), and improvement to the headquarters financial management system.

122. Changes may need to be introduced to IFAD's budget and accounting system to allow for regular and transparent reports on budget and actual expenses incurred at country offices, including:

- Costs of outposted international staff as an administrative cost to specific country offices; and
- Programmatic costs (i.e., supervision missions fielded from a country office) paid by the country office.

123. The current format of the progress report should be reviewed, including the frequency and scope of such reports. The reports should address issues related to progress in responding to the terms of reference of the overall country programme as well as of the specific focus of the individual country office, in particular, its contribution to the country programme.

124. There is a need for a systematic institutional study to examine opportunities for cost savings by transferring some tasks related to administration of the country programme (e.g. recruitment of mission members, report preparation) and financial management processes from headquarters to country offices.

125. In order to facilitate coordination, reporting and problem resolution, consideration should be given to establishing a small unit at headquarters charged with supporting the country offices. The unit would work with headquarters divisions and the offices to ensure that appropriate procedures and processes are in place to facilitate the work of country offices. It is expected that this unit could be disbanded within a few years.

List of People Met

Agency/Project	Persons Met	Title
CONGO DR		
Ministère de l'Agriculture	Hubert Ali Ramazani	Secrétaire Général
Confédération Paysanne du Congo – COPACO-PRP	Nathanaél Buka Mupungu	Secrétaire Général
World Bank – AFTAR, Sustainable Development Network Africa Region	Amadou Oumar Ba	Sr. Agricultural Specialist
LINAPYCO et REPALEAC	Kapupu Diwa Mutimanwa	Président National LYNAPYCO et Coordonnateur général REPALEAC
FAO	Ndiaga GUEYE	FAO Representative
WFP	Alix LORISTON	Country Director and Representative to RDC
World Bank	Nestor COFFI	Sr Financial Management Specialist
Bureau de Liaison PRODER	Virginie Judith Ibarra	Responsable P.i. du Bureau de Liaison des Projets FIDA
PRAPE	Antoine Roger Sumbela	Coordinateur
	Marcellin Kobongo	Responsable Pool Technique
	Emmanuel Saidi Ndjike	Responsable de Suivi Evaluation
PRAPO	Jean Damas Bulubulu Bitande	Coordinateur
	Meilleur Basema	RAF PRAPO
IFAD Congo country office	Keyita Matuvanga	Consultant
	Rita Sansi Biyela	Programme Assistant
CONGO Republic		
Inades Formation Congo	Sylvian Ntumbamutuenzenzabu	Directeur National
Ministry of Rural Development	Philippe Undji Yangya	Minister
FAO	Dieudonné Koguiyagda	FAO Representative
UNDP	Lamin Manneh	Resident Coordinator/Representative
United Nations Population Fund	Benoît Libali	Assistant au Représentant – Chargé de Programme Population et Développement
PRODER	Paul Bizibandoki	Coordinateur des Nord et Sud
PRODER 3	Dominique Kenga	Project Coordinator
Womens' Section CNOP	Dolores Kimkodila	President
KENYA		
Ministry of Agriculture	Wilson Songa	Agriculture Secretary
	Nehemiah Chepkwony	Deputy Director of Agriculture, Horticulture Division
Ministry of Finance	Jackson Kinyanjui	Director, External Resources Department
	Ms. Jane Musundi	IFAD Desk Officer
Ministry of Livestock Development	Keneth Lusaka	Permanent Secretary
Ministry of State for Planning, National Development & Vision 2030	Edward Sambili	Permanent Secretary
	Kennedy Nyachireo	Chief Economist
	Joseph Mukui	Director, Rural Planning Directorate Office of the Prime Minister
Embassy of Sweden (SIDA)	Japhet Kiara	Programme Officer, Agriculture & Rural
Mount Kenya East Pilot Project for Natural Resource Management (MKEPP)	Ms. Faith Livingstone,	Project Manager
Central Kenya Dry Area Project (CKDAP)	Nicholas Mac'Botongore	Project Manager,
United Nations Office at Nairobi	Kamran Baig	Coordinator, Common Service
IFAD Kenya country office	Rose Heraniah	Regional Loan Administration Officer
	Sam Eremie,	Country Portfolio Manager
	Eric Rwabidadi,	Associated Country Portfolio Manager
NEPAL		
IFAD Nepal country office	Bashu Babu Aryal	Country Programme Officer,
	Ron Hartman	Country Portfolio Manager
PHILIPPINES		
UNDP	Celia Egana	Finance Analyst
	Jesus Capulong	HR Analyst
RuMEPP	Jerry Clavesillas	Programme Manager
	Jose Roi Avena	M & E Specialist

Agency/Project	Persons Met	Title
	Rey Guanzon	Finance Analyst
European Union	Raffaella Boudron	Food Facility Programme Manager
National Economic and Development Authority	Wilfredo de Perio	OIC Chief, Rural Development Monitoring and Evaluation, NEDA PMs
	Jocelyn Balugo	IFAD Desk Officer, NEDA PIS
	Marice Solatre	Agri Staff, NEDA
ANGOC	Nathaniel Don Marquez	Executive Director
	Catherine Liamzon	Project Staff
Asian Development Bank	Peter Robertson	Senior Project Management Specialist
	Tomoyuki Kimura	Head, Institutional Coordination
Department of Agriculture	Usec. Joel Rudinas	Undersecretary, DA
	Charles Picpican	PME Coordinator-CHARMP2
	Clyde Waytan	Project Accountant-CHARMP2
	Elizabeth Padre	PO3-DA
	Ivyrone Libranda	PDO-DA
	Thelma B. De los Santos	ECO III-DA
	Esperanza Tecson	Division Chief- NFA
	Evangeline Ange	Project Manager-NFA
	Evelyn Valeriano	PDO II- DA
	Elvira Costales	PDO II- DA
	Ester Aida Simbajan	PDO-III- DA
	Mary Ann Virtudes	SDS II- RaFPEP
	Galiver Gonzales	PDIO II-DA
	Edelmira Tapang	Agriculture II-DA
	Jose Abusulon	DA
	Almonte Clodualdo	DA
	Marilyn Platero	M & E Officer- RaFPEP
	Sharleene Kay Alayan	Info Officer-RaFPEP
	Susan Villareal	DA
	Julie Santos	DA
Department of Agrarian Reform	Susan Perez	PDO/Desk Officer, FAPSO
AFA	Ester Penunia-Banzuela	AFA, Secretary General
PAKISAMA	Crispino Arguelo	President
IFAD Philippines country office	Yolando Arban	Country Programme Officer
	Vivian Azore	Country Programme Assistant
VIETNAM		
Ministry of Finance	Madam Nguyen Thi Hong Yen	Deputy Director General Department of External Finance
	Au Duong Khanh	Expert, External Finance Department,
	Truong Cong Huu	Finance Management Specialist
	Phan Duy Toan	Procurement Specialist
Ministry of Planning and Investment, Foreign Economic Relations Department	Madam Nguyen Yen Hai	Deputy Director General
	Madam Nong Thi Hong Hanh	Expert
FAO	Ms Yuriko Shoji	FAO representative
	Vu Ngoc Tien	Deputy country representative
Ministry of Agriculture and Rural Development, Department of Cooperatives and Rural Development	Nguyen Minh Tien	Deputy Head of Department
	Dang Van Cuong	Project Coordinator, Grant 907,
	Tran Nhat Lam	Deputy Head of Division, Rural Development Division
	Nguyen Van Nghiem	Deputy Head of Division, Cooperatives and Farms Division
IPSARD	Dr Dang Kim Son	General Director
	Giao	
	Tho	
Provincial People's Committee of Bac Kan province	Hoang Ngoc Duong	Chairman
	Ly Thai Hai	Director, Bac Kan DPI
	Hoang Van Giap	Project Director
	Bac Kan 3PAD	Provincial Management Unit
ICD	Nguyen Manh Hung	Director, Vietnam Farmers' Union
SNV Viet Nam	Do Thanh Lam	Programme Development Advisor
Centre for Agrarian Systems Research and Development (CASRAD)	Dao The Anh	Director
	Hoang XuanTruong	Officer
FAVRI	Dr Nguyen Quoc Hung	partnership
Tam Nong Support Project	Meeting with Directors from Gia Lai,	

Agency/Project	Persons Met	Title
	Tuyen Queng and Ninh Thuan Provinces	
IFAD Viet Nam country office	Nguyen Thanh Tung,	Country Programme Officer
	Ms Nguyen Thu Hoai,	Country Programme Assistant
	Ms. Atsuko Toda	CPM
EGYPT		
Ministry of International Cooperation Ministry of Agriculture and Land Reclamation Upper Egypt Rural Development Project (Alexandria)	Sayed Hussein	Project Director
SUDAN		
CCU and the project coordinator Ministry of Finance and National Economy		
Ministry of Agriculture		
Microfinance Unit, Central Bank of Sudan External Debt Unit, Central Bank of Sudan Meeting with UNDP Meeting with AfDB Meeting with World Bank Meeting with FAO Meeting with EU Visit to project area of the Butana Integrated Rural Development Project	Meeting with project staff, project implementing agencies and visit to participating village	
Italian Cooperation DFID Dutch Embassy	Meeting	
IFAD Sudan country office	Mohamed Agdelgadir	Country Programme Officer
	Ms. Rasha Omar	CPM

IFAD Country Offices (as at 31 December 2010)

Region	Country	EB approval date	Number of projects in the current portfolio			Investment financing committed (US$ '000)	Projects directly supervised	
			Not Effective	On-going	Grand Total		Not effective	On-going
WCA	Burkina Faso	15-Dec-08		5	5	69 514		5
WCA	Cameroon	15-Dec-08		3	3	46 055		3
WCA	Congo/Congo DR	17-Dec-03		6	6	82 806		6
WCA	**Ghana**	15-Dec-08		5	5	80 261		4
WCA	Guinea	15-Dec-08		3	3	45 426		3
WCA	Nigeria	08-Sep-04		3	3	85 475		3
WCA	**Senegal/Gambia**	01-Dec-04		7	7	68 648		6
ESA	*Ethiopia*	01-Dec-04		4	4	119 228		3
ESA	*Kenya*	15-Dec-08		5	5	110 407		5
ESA	Madagascar	15-Dec-08		4	4	65 181		4
ESA	Mozambique	15-Dec-08	1	4	5	99 720	1	4
ESA	Rwanda	15-Dec-08		5	5	85 284		5
ESA	*Tanzania*	17-Dec-03	1	4	5	212 162	1	4
ESA	Uganda	21-Apr-04	1	5	6	185 155		5
ESA	Zambia	15-Dec-08		3	3	45 095		3
APR	China	17-Dec-03		6	6	175 714		6
APR	India	17-Dec-03		9	9	297 427		9
APR	Nepal	15-Dec-08		4	4	51 289		3
APR	**Pakistan**	15-Dec-08	1	4	5	141 755	1	3
APR	Philippines	15-Dec-08		3	3	64 721		3
APR	**Sri Lanka**	15-Dec-08		5	5	104 434		4
APR	*Viet Nam*	08-Sep-04	1	5	6	175 940	1	5
LAC	Bolivia[a]		1	1	2	15 231	1	1
LAC	Brazil/	15-Dec-08	2	1	3	75 500	2	1
LAC	Haiti	01-Dec-04		2	2	40 367		2
LAC	*Panama*			2	2	29 200		2
LAC	Peru/	01-Dec-04		2	2	39 022		2
NEN	Egypt	01-Dec-04		3	3	82 619		3
NEN	*Sudan*	17-Dec-03	1	7	8	138 363	1	6
NEN	Yemen	17-Dec-03	1	5	6	87 311	1	4
IFAD total			30	10	125	2 919 310	9	117

a/   Country office in Colombia was closed at the end of 2008, and replaced by Bolivia.
Note: The country offices in **bold** will be led by outposted CPMs. Those in *italics* are already led by CPMs.

WCA: Western and Central Africa
ESA: Eastern and Southern Africa
APR: Asia and the Pacific
LAC: Latin America and the Caribbean
NEN: Near East and North Africa

2007 Evaluation Agreement at Completion Point

ACP Agreed Action	IFAD Follow-up	Status
Continue implementation of the 15 country initiatives already established under the FPPP, … – subject to budget availability – gradually expand country presence into a limited number of priority countries (based on, for example, numbers of projects, "One United Nations" agenda, etc)	Subsequent Executive Board meetings have approved expansion of the country presence programme. A total of 30 offices have been approved to date.	Full compliance
Expand country presence to undertake more systematic experimentation with alternative country presence models in additional countries (beyond those included in the FPPP) in all five IFAD regions.	A subregional service centre in Nairobi, providing mainly support to loan administration for ESA countries has been established.	Compliance
During the next two years, IFAD management will outpost up to 12 country programme managers, including those which are already under such arrangement, with the necessary experience and adequate seniority in all regions, including in some ongoing FPPP countries with large portfolios.	Six CPMs are now outposted (including the CPM outposted to Panama). By the end of 2010, three associate CPMs have been outposted to country offices, a staff cadre not envisaged at the time of the evaluation. Due mainly to the necessity to sign host country agreements, the target of twelve was not met. Lack of clarity on the re-entry to headquarters has also slowed the process of outposting.	Partial Compliance
The Fund, to the extent possible, will negotiate direct hosting agreements with concerned governments … that would, *inter alia,* provide the overall legal framework for establishing officially an IFAD country presence with the required diplomatic immunities and privileges. …the Fund will need to carefully assess the required logistical and infrastructure requirements for outposting country programme managers, including exploring opportunities for hosting arrangements with other United Nations agencies and international financial institutions	Host country agreements have been signed between IFAD and nine host countries as at the end of 2010. Another two are expected to be signed in the first quarter of 2011. A Framework agreement was signed with UNDP stipulating the types of services that will be provided to country offices. Hosting options have been explored with other United Nations agencies and IFIs, however, in view of cost considerations, country offices are expected to continue to be hosted by UNDP, FAO or WFP.	In progress
… the evaluation recommended that IFAD sets up 2-3 subregional offices to be in located in different IFAD regions. IFAD management, however, will proceed very prudently with this recommendation noting [sub a, b, c, par 14 of ACP].	The Executive Board has shown little enthusiasm for the establishment of regional offices, nonetheless the regional service centre in Nairobi demonstrates that such centres can offer benefits in terms of economies of scale for selected functions. Establishment of subregional offices as service centres may be considered for a specific geographic area.	Under consideration
All country presence initiatives will be established in tandem with other initiatives such as the direct supervision so that these are based on felt need and in the medium term benefit at least equals cost. In establishing these initiatives, IFAD management will also adhere to the agreed administrative cost ratio mentioned in para 11(c) above.	Country office staff play a key role in direct supervision process, including leading/participating in supervision and follow-up missions, facilitating withdrawal application processing, and building capacity of project staff in these areas.	Full compliance
The next phase of country presence should incorporate the four dimensions contained in the FPPP (implementation support, policy dialogue, partnership building, and knowledge management).	Work programmes of specific country offices are tailored to requirements of the IFAD country programme, and thus do not equally emphasize each of the dimensions.	Compliance
In order to make the next phase of country presence more effective in pursing IFAD's country programme objectives, the Fund should identify areas in which country presence offices could benefit from greater and clearer delegation of authority.	IFAD has issued procedures for administering country offices in 2008. Outposted CPMs and national country office staff holding IFAD contracts have the same authorities as their counterparts in headquarters. Further delegation of authority needs to be undertaken within the context of an IFAD-wide review.	Partial compliance

ACP Agreed Action	IFAD Follow-up	Status
Within the context of overall programme and budget framework of IFAD and the applicable administrative costs ratio, adequate human and financial resources will be made available to country programme officers to ensure they have access to the required administrative and logistic services	Amounts budgeted for each office determined by the specific requirements of that office. All have been increased from the pilot. The agreed administrative ratio has been maintained.	Full compliance
With regard to legal and administrative matters, it is imperative that all IFAD country programme officers have contracts that enable them to fulfil their responsibilities in the most effective manner possible. The Fund will develop the required instruments; say fixed term contracts for two or three years.	Since 2010, national staff have been awarded IFAD contracts where it can legally do so. To date, some 22 national staff have been given direct contracts with IFAD.	Full compliance
IFAD's chart of accounts and the budget headings (and the related procedures for use thereof) would be revised in a way that would enable more comprehensive recording, monitoring and analyzing the budgets and costs in relation to IFAD's country presence activities.	The chart of accounts has been revised accordingly. Business processes need to be revised to allow for more timely and accurate reporting of costs.	Partial compliance
IFAD would ensure that the reporting from country offices, for both the current as well as the new countries under the next phase, will include achievements against key corporate performance indicators. In doing so IFAD will use its existing results monitoring system.	Template for progress reporting includes reference to key thematic areas. Results from countries with country offices included in overall corporate results framework.	Full compliance
A systematic mechanism should be developed for exchanging experiences across the country programme officers and country programme managers.	Country office staff participate in regional division retreats and other knowledge sharing fora. The recent introduction of the CPM/CPO form will facilitate the sharing of experience among field and headquarters based staff.	Compliance
The evaluation recommended that IFAD takes the lead in establishing a Rome-based inter-agency (FAO, IFAD and WFP) working group on country presence issues.	As both FAO and WFP having much larger presences in country, it may not be appropriate for IFAD to take the lead.	No compliance
Under the overall guidance of the Assistant President, PMD, the regional division directors would be comprehensively involved in country presence issues, for example, in the approval of the country presences' annual work plans and budgets, performance evaluations of country presence staff, and in monitoring the achievement of country presence objectives.	Country presence staff are considered as integral resource of division's overall human resources. Templates have been established for AWP&B and progress reporting, which are submitted to regional division directors. President's Bulletin and Framework agreements set out IFAD's role in performance evaluations.	Full compliance
IFAD management would also set up a cross-departmental committee, comprising of PMD, FAD, EAD, and OL to co-ordinate and supervise the implementation of the country presence during the next few years.	Country presence working group met regularly during 2008 and early 2009, it was superseded by a higher level group in 2009 that met sporadically. Focal points for country presence have been established in some divisions, notably ICT. Coordination of country presence issues is largely delegated to regional divisions with overall coordination through the Office of the Vice President, Programmes. A country presence site has been established on //desk to facilitate information sharing.	Partial compliance
IFAD management will monitor the ratio of staff allocated to the headquarters and field with a view to enhancing overall productivity. In doing so, IFAD Management will apply the principle of cost effectiveness.	Periodic monitoring is being undertaken. Staffing at country offices is included in IFAD's overall Strategic Work Force planning.	Partial compliance

ACP Agreed Action	IFAD Follow-up	Status
… it is imperative that IFAD clarifies to its staff and then communicates to key partners the complementary roles and responsibilities of the country programme manager, country programme officer and cooperating and host institutions. This is particularly essential in light of the forthcoming implementation of IFAD's Policy on Supervision and Implementation Support, and should also include a clarification on the lines of reporting, accountability and overall authority related to the country programme.	Role and responsibilities laid out in President's Bulletin as well as in Framework and country level agreements.	Compliance
The next phase of IFAD's country presence will require the allocation of adequate resources. For example, more funds are required for ongoing FPPPs to ensure that all anticipated activities, including those related to knowledge management, can be undertaken in a proper and timely manner. Extra funds are also required for mobilizing the required administrative support to enhance the programme. In addition, the analysis undertaken by the evaluation reveals that outposting of country programme managers may have financial implications. As such, Management will need to undertake a detailed cost analysis, including the related effects on support staff, as well as an assessment of the skills and competency of existing country programme managers to determine the suitability for their outposting.	Country presence offices integrated in divisional budget submissions. According to needs of the country programme, funds are included in regional division budget submissions, for staff and administrative costs. Costs associated to operations are covered by the respective budgets for those operations. Capital costs, e.g., mainly related to security upgrades of premises or relocation costs, need to be funded through capital budget.	Compliance
In order to establish benchmarks and thus enable a more rigorous self-assessment and using its existing results monitoring system (particularly the Portfolio Performance Report and, as established, the Results Measurement Framework), IFAD management will gather baseline data across key indicators at the outset of implementing country presence arrangements in all countries under the next phase.	The benchmark indicators are largely the same as those to measure the performance of the portfolio. In considering such indicators, the role of headquarters as well as changes to country programme processes, such as direct supervision, need to be taken into account.	Compliance
In addition, as for all other IFAD staff, all country programme officers will be provided with full access to all IFAD internal databases and information systems, including but not only the project portfolio monitoring system, the loans and grants system, and so on	Country office staff are provided with IFAD user IDs and e-mail addresses. Most offices also equipped with VPN, providing access to Intranet. Newly designed systems (PSR on-line, RIMS on-line) are web-based and accessible by the country offices. Access to PeopleSoft depends on contract (only direct IFAD contracts) and user rights. Newly established Operations Library (for documents, etc.) is accessible through internet.	Full compliance
The evaluation recommended and IFAD management agreed that a self-assessment of the country presence (including those established at the pilot phase) will be undertaken by the IFAD management in 2010. Following this self-assessment and in line with the practice of other international financial institutions, a country presence policy will be presented to the Executive Board in 2011.	Self-assessment finished in early 2011. Expected submission of policy/strategy to Executive Board in May 2011.	Full compliance

Perception Survey Questionnaire

Perception survey

1. Background

This survey will contribute to IFAD's self-assessment of its country presence programme. Please answer all questions, whether or not you are working in or with a country office.

Completing the survey takes about 20 minutes and your time is highly appreciated.

* 1. Select your function:

- ◯ Country Programme Officer
- ◯ CPM Headquarters with EB approved country office
- ◯ CPM Headquarters
- ◯ CPM Outposted

- ◯ Director
- ◯ Programme Assistant (Headquarters)
- ◯ Programme Assistant (Country Office)
- ◯ Regional Economist

* 2. Including the CPO, how many staff are employed in the country office (full-time equivalent)?

	0	1	2	3	4	5	5+
Professional	◯	◯	◯	◯	◯	◯	◯
Assistant/clerical	◯	◯	◯	◯	◯	◯	◯
Driver	◯	◯	◯	◯	◯	◯	◯

Other (please specify)

[ ]

* 3. How important is country presence in achieving results in the following areas?

	Very important	Important	Marginally important	Marginally unimportant	Unimportant	Very unimportant	No opinion
Design	◯	◯	◯	◯	◯	◯	◯
Supervision/implementation support	◯	◯	◯	◯	◯	◯	◯
Policy dialogue	◯	◯	◯	◯	◯	◯	◯
Partnership	◯	◯	◯	◯	◯	◯	◯
Knowledge management	◯	◯	◯	◯	◯	◯	◯
Capacity building	◯	◯	◯	◯	◯	◯	◯

2. Implementation Support

* 4. How often do local consultants participate in IFAD missions:

	Always	Very frequently	Frequently	Sometimes	Occasionally	Never
Design	◯	◯	◯	◯	◯	◯
Supervision	◯	◯	◯	◯	◯	◯
Implementation support	◯	◯	◯	◯	◯	◯

Perception survey

* 5. How often do you provide guidance to project staff on:

	Daily	2 - 3 times per week	About once a week	About once a month	Occasionally	Never
Loan administration/ withdrawal applications	○	○	○	○	○	○
Procurement	○	○	○	○	○	○
Planning	○	○	○	○	○	○
Monitoring and impact	○	○	○	○	○	○
Policy implications	○	○	○	○	○	○
Technical backstopping	○	○	○	○	○	○

Other (please specify)

[_____]

3. Policy Dialogue

* 6. Who are the main partners in Government for the IFAD country programme? (select all that apply)

☐ Ministry of Finance/Economy/Planning   ☐ Regional/State Government

☐ Ministry of Agriculture/Livestock/Irrigation/Fisheries   ☐ District/Local Government

☐ Ministry of Local Government

Other (please specify)

[_____]

* 7. What are the main areas of policy dialogue? (select all that apply)

☐ Rural poverty reduction   ☐ Natural resource management   ☐ Decentralisation

☐ Land tenure   ☐ Marketing   ☐ Alignment/harmonisation

☐ Rural finance   ☐ Private sector

☐ Other (please specify)

[_____]

* 8. How often do you engage with government on policy issues?

○ Very frequently   ○ Sometimes

○ Frequently   ○ Occasionally

○ Often   ○ Never

Perception survey

* 9. How successful has IFAD been in reducing:

	Very successful	Successful	Moderately successful	Moderately unsuccessful	Unsuccessful	Very unsuccessful	No opinion
Policy obstacles for rural poverty reduction?	○	○	○	○	○	○	○
Institutional obstacles for rural poverty reduction?	○	○	○	○	○	○	○

* 10. Is the IFAD country programme aligned with national mechanisms and objectives in relation to rural poverty reduction?

○ Fully aligned   ○ Somewhat unaligned   ○ No opinion

○ Aligned   ○ Unaligned

○ Somewhat aligned   ○ In conflict

* 11. Has IFAD's capacity to monitor or participate in country policy dialogue improved in the last three years?

○ Substantially improved   ○ No change   ○ No opinion

○ improved   ○ Decreased

○ Somewhat improved   ○ Substantially decreased

12. Describe briefly any changes in institutional orientation to favour rural poverty reduction for which IFAD played a role.
[240 character limit]

[text box]

4. Partnership

* 13. How would you rate the IFAD country programme in terms of cooperation and coordination with:

	Highly satisfactory	Satisfactory	Moderately satisfactory	Moderately unsatisfactory	Unsatisfactory	Highly unsatisfactory	No opinion
Other IFIs/multi-laterals	○	○	○	○	○	○	○
Other UN agencies	○	○	○	○	○	○	○
Bi-lateral agencies	○	○	○	○	○	○	○
NGOs	○	○	○	○	○	○	○
Civil society	○	○	○	○	○	○	○
Private sector	○	○	○	○	○	○	○

Perception survey

* 14. What is the level of IFAD participation in relevant country thematic groups?

	Weekly	Monthly	Quarterly	Semi-annually	Annually	Never
Government led	○	○	○	○	○	○
Donor led	○	○	○	○	○	○

Thematic groups [150 character limit]

5. Knowledge Management

* 15. Has IFAD headquarters knowledge base related to the country improved in the last three years?

○ Substantially improved   ○ No change   ○ No opinion

○ Improved   ○ Decreased

○ Somewhat improved   ○ Substantially decreased

* 16. How often are lesson-sharing/knowledge management events held among IFAD financed projects in country?

○ Weekly   ○ Semi-annually   ○ No opinion

○ Monthly   ○ Annually

○ Quarterly   ○ Never

* 17. Have successful IFAD innovative approaches to rural poverty reduction been replicated or scaled up?

○ Yes

○ No

○ No opinion

18. If 'yes' to previous question, please provide brief examples:
[240 characer limit]

6. Management

Perception survey

* 19. The country office has appropriate delegated decision-making authority.

○ Fully agree   ○ Disagree somewhat   ○ No opinion

○ Agree   ○ Disagree

○ Agree somewhat   ○ Disagree completely

* 20. The roles and responsibilities between the CPM and CPO are clear.

○ Fully agree   ○ Disagree somewhat   ○ No opinion

○ Agree   ○ Disagree

○ Agree somewhat   ○ Disagree completely

* 21. The roles and responsibilities between the CPO and project/programme managers are clear.

○ Fully agree   ○ Disagree somewhat   ○ No opinion

○ Agree   ○ Disagree

○ Agree somewhat   ○ Disagree completely

* 22. The roles and responsibilities between the Programme Assistant/support staff at headquarters and in the country office clear.

○ Fully agree   ○ Disagree somewhat   ○ No opinion

○ Agree   ○ Disagree

○ Agree somewhat   ○ Disagree completely

* 23. How would you rate the management/support provided to country offices by:

	Highly satisfactory	Satisfactory	Moderately satisfactory	Moderately unsatisfactory	Unsatisfactory	Highly unsatisfactory	No opinion
Regional Division	○	○	○	○	○	○	○
Loan Administration	○	○	○	○	○	○	○
Legal Services	○	○	○	○	○	○	○
Accounting and Financial Services	○	○	○	○	○	○	○
Human Resources	○	○	○	○	○	○	○
Communications	○	○	○	○	○	○	○
IT Services	○	○	○	○	○	○	○

Other (please specify)

[   ]

7. Hosting

Perception survey

24. The IFAD country office is hosted by

◯ FAO

◯ Government

◯ UNDP

◯ WFP

Other (please specify)

[   ]

* 25. How would you rate the IFAD country office in terms of relations with the host agency?

◯ Highly satisfactory   ◯ Moderately unsatisfactory   ◯ No opinion

◯ Satisfactory   ◯ Unsatisfactory

◯ Moderately satisfactory   ◯ Highly unsatisfactory

* 26. How would you rate services provided by the host agency in terms of:

	Highly satisfactory	Satisfactory	Moderately satisfactory	Moderately unsatisfactory	Unsatisfactory	Highly unsatisfactory
Office space	◯	◯	◯	◯	◯	◯
IT support/infrastructure	◯	◯	◯	◯	◯	◯
Travel and logistics	◯	◯	◯	◯	◯	◯
Priviledges and immunities	◯	◯	◯	◯	◯	◯
Human resource issues	◯	◯	◯	◯	◯	◯
Financial administration	◯	◯	◯	◯	◯	◯

Other (specify)

[   ]

8. Other perceptions

Perception survey

✱ 27. Please rate how successful IFAD country offices have been in adding value to:

	Very successful	Successful	Moderately successful	Moderately unsuccessful	Unsuccessful	Very unsuccessful	No opinion
COSOP preparation	○	○	○	○	○	○	○
Project design	○	○	○	○	○	○	○
Supervision/implementation support	○	○	○	○	○	○	○
Policy dialogue	○	○	○	○	○	○	○
Partnership development	○	○	○	○	○	○	○
Knowledge management	○	○	○	○	○	○	○
Capacity building	○	○	○	○	○	○	○
Administrative/logistics support	○	○	○	○	○	○	○

28. Please rank the following major thematic areas in terms of importance in your work:
[only one response per column]

	Most Important	Important	Moderately Important	Moderately unimportant	Unimportant	Least Important	No opinion
Project design	○	○	○	○	○	○	○
Supervision/implementation support	○	○	○	○	○	○	○
Policy dialogue	○	○	○	○	○	○	○
Partnership development	○	○	○	○	○	○	○
Knowledge management	○	○	○	○	○	○	○
Capacity building	○	○	○	○	○	○	○

29. In your view, what are the major weaknesses of country presence that need to be addressed.
[240 character limit]

30. In your view, what are the major strengths of country presence.
[240 character limit]

Thank you for your participation.

Authorities and Responsibilities of the Country Programme Manager and Country Programme Officer Roles and Responsibilities

(From President's Bulletin (PB/2008/05) on *IFAD Procedures Country Offices)*

The Country Programme Manager (CPM)

The CPM is responsible for management of the Country Office and its staff. In so doing, the CPM shall:

- Define Terms of Reference of the Country Office staff in line with goals and objectives of the country programme;

- With the support of the national staff, set the annual work plan and budget (APWB) for the Country Office in line with goals and objectives of the country programme and in conformity with the Office Memorandum on Country Presence Planning and Monitoring (issued by AP/PMD on 20 December 2007, a such may be revised and updated);

- With the support of the national staff, carry out an annual assessment of the activities of the Country Office in terms of outcomes and results achieved;

- Contribute to the annual performance evaluation of national staff by the host agency and submit an IFAD performance evaluation of national staff to the Director;

- Ensure that the Country Office staff is promptly informed of IFAD policies procedures or activities relevant to their work; and

- Ensure compliance with relevant IFAD procedures and adherence to agreements relevant to each country office by country office staff.

The Country Programme Officer (CPO)

In case there is no outposted CPM, the CPO shall

- Assist the CPM in defining the APWB for the country office;

- Implement the activities contained in the APWB in order to achieve the objectives of the country programme;

- Submit progress reports every six months, including a statement of expenditures;

- Liaise with staff from host agency for administrative and other support; and

- Participate in all meetings of the United Nations Country Team, which are deemed by IFAD to be relevant to IFAD's work.