Comments of the Independent Office of Evaluation of IFAD on the update to the IFAD country presence policy and strategy
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1. **Background.** In line with the IFAD Evaluation Policy (2011), the Independent Office of Evaluation of IFAD (IOE) has prepared its written comments on the IFAD Country Presence Strategy (2014-2015). IOE comments have been informed by the assessment of IFAD country presence in recent corporate-level evaluations, as well as by country programme evaluations, which include an assessment of IFAD country presence.

2. **General Comments.** IOE welcomes the IFAD Country Presence Strategy (2014-2015). Recent IOE evaluations have underlined the importance to the Fund of consolidating the existing and expanding IFAD country presence, which is one of the most far-reaching changes to its operating model since IFAD was established.

3. Overall, IOE evaluations note that country presence has enabled, inter alia, closer project implementation support, better opportunities for policy dialogue and partnership-building, communication with multiple stakeholders and monitoring of project progress. It also allows IFAD to gain better visibility, which is important in attracting cofinancing and engaging in advocacy related to rural poverty reduction.

4. IOE acknowledges the efforts made by IFAD Management in recent years to better manage decentralization processes, including by: (i) defining a framework for the operations of IFAD country offices (ICOs), for example through the President’s Bulletin on staffing and other operational aspects (such as incentives, rotation and delegation of authority); (ii) outposting of country programme managers (CPMs); (iii) establishing a Field Support Unit in the Corporate Service Department; and (iv) promoting new initiatives to improve telecommunications links between headquarters and ICOs.

5. **Specific comments.** Paragraph 16 is meant to present the objectives of the policy. In reality, the paragraph asserts that “IFAD will continue to strengthen existing offices and establish new country offices in recipient countries where they can contribute to improving the development effectiveness and cost efficiency of IFAD’s operations.” These are not objectives (i.e. the expected operational or programmatic goals to be achieved). It may have been useful to specify such goals, with a cross-reference to annex VII (Monitoring indicators for IFAD country offices).

6. Independent evaluations have found that the most favourable models for ICOs are those headed by CPMs. It is reassuring that the number of outposted CPMs has increased significantly in recent years. At the same time, in the past, CPMs were outposted based on their interest in or acceptance of being relocated from headquarters to the field. Moving forward, it would be important to develop a plan based on IFAD’s strategic priorities and criteria for having ICOs headed by CPMs, so that offices can be staffed accordingly.

7. With regard to the above, paragraph 22 of the policy outlines the selection criteria for outposting CPMs. The question arises whether it would have been useful to also apply the criteria retroactively on a case-by-case basis. For example, criteria (a) and (f) stipulate that CPMs will be outposted in “relatively large country programmes” and “country offices that serve multiple countries”, yet some existing ICOs with an outposted CPM might not satisfy these criteria (Laos may be taken as an example).

8. Paragraph 17 includes the criteria for opening of country offices, which appear to be well thought through. It might be useful to consider a further criterion – opportunities for scaling up for wider impact on rural poverty. Although this criterion has some degree of subjectivity, it would be consistent with IFAD’s attention to scaling up and would contribute to achieving the “twin objectives of enhancing development effectiveness and increasing cost efficiency”. Opportunities for scaling
up would include exploring partnerships, greater emphasis on knowledge management, especially in middle-income countries, and mobilizing cofinancing from multilateral and bilateral organizations, the private sector and others.

9. On a case-by-case basis, careful consideration also needs to be devoted to the location of an ICO in a particular country, which is especially important in large countries. For example, the ICO in Brazil is located in Salvador (in the north-east of the country) and not in the capital city of Brasilia. While this might be useful for supervision and implementation support, given the ICO’s proximity to IFAD-funded projects, it might limit opportunities for: strengthening communication with decision makers in central government agencies, especially the main coordination ministry for IFAD; exploring opportunities for partnerships with major donors; and policy dialogue. In fact, all the major players (e.g. World Bank, IDB, FAO) have their country offices in the capital.

10. The 50 country offices planned, including a relatively large number of outposted CPMs, have implications for their relationship to headquarters. The strategy articulates measures that are, and will be, put in place to ensure effective communication and interaction between headquarters and the countries concerned. One point that merits some additional reflection, as already raised by the recent corporate-level evaluation of IFAD’s efficiency, relates to the evolving role of IFAD regional directors in an increasingly decentralized organization, in order to ensure that they are able to provide satisfactory supervision and prompt coaching, feedback and performance assessment.

11. Annex IV contains a table of host agency service-level agreements. It is encouraging to note that there is collaboration between IFAD and the other Rome-based United Nations agencies in 12 of the 40 existing ICOs. Opportunities for further enhancing such cooperation in the future would be consistent with the broader aim of greater collaboration between IFAD, FAO and WFP in general. Similarly, opportunities for similar collaboration with international financial institutions would be welcome. Even though the costs of such agreements may be higher, they are likely to generate benefits in terms of greater effectiveness and opportunities for scaling up.

12. While IOE agrees that the overarching objective of ICOs should be to further country-programme-related objectives and activities, opportunities for enhancing the ICO role in activities under responsibilities outside the Programme Management Department may merit consideration – including support to fiduciary aspects, country-level audits, independent evaluations, legal aspects and others. This would further consolidate the role of ICOs as full-fledged IFAD country offices, even though pursuing such an objective should not be at the expense of their priority work in operations and must take into account the overall resources available to individual ICOs.

13. Finally, the corporate-level evaluation of IFAD’s field presence pilot programme (2007), the India (2010) and Kenya (2011) country programme evaluations and other independent evaluations have underlined the advantages to IFAD of establishing regional/subregional offices. This would be consistent with good practices in, and the institutional architecture of, other multilateral organizations. The role of the restructured IFAD office in Nairobi (as outlined in paragraph 17(d)) is a step in the right direction towards enhancing development effectiveness and lowering costs generally. Given this, IOE encourages IFAD to expand the establishment of regional/subregional offices, possibly even beyond the two as originally agreed by the Executive Board, noting that they should not be developed as an additional institutional layer between headquarters and the country level.