

Document:	<u>EB 2007/90/R.30</u>
Agenda:	<u>13</u>
Date:	<u>28 March 2007</u>
Distribution:	<u>Public</u>
Original:	<u>English</u>

E



Progress Report on the Field Presence Pilot Programme

Executive Board — Ninetieth Session
Rome, 17–18 April 2007

For: **Information**

Note to Executive Board Directors

This document is submitted for the information of the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal point with any technical questions about this document before the session:

Shyam Khadka

Senior Portfolio Manager
telephone: +39 06 5459 2388
e-mail: s.khadka@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra

Governing Bodies Officer
telephone: +39 06 5459 2374
e-mail: d.mcgrenra@ifad.org

Contents

Abbreviations and acronyms	ii
A. Origin of the Field Presence Pilot Programme	1
B. Objectives and scope	1
C. Country selection and design of initiative briefs	1
D. Implementation of the Field Presence Pilot Programme	2
E. Budget operations	3
F. Evaluation	3
G. Early results	4
H. Lessons learned	8

Appendices

- I. Review of FPPP Country Context
- II. Review of FPPP Key Activities and Achievements

Abbreviations and acronyms

FPPP	Field Presence Pilot Programme
HIPC	Debt Initiative for Heavily Indebted Poor Countries
M&E	monitoring and evaluation
UNDP	United Nations Development Programme

Progress Report on the Field Presence Pilot Programme

A. Origin of the Field Presence Pilot Programme

1. When IFAD was established, it was intended that it would not develop its own field offices or have field-level representation but would work as far as possible through and with other United Nations agencies and international financial institutions. These principles governed the Fund's organizational structure and modus operandi for over 20 years. However, concerns over implementation performance, particularly in terms of impact achievement, gradually brought pressure to bear on the Fund's operational strategies, so that progressively more attention was directed to the development effectiveness being achieved as a result of the funding provided.
2. In this context, the Consultation on the Sixth Replenishment of IFAD's Resources recommended that IFAD further analyse the issue of enhancing its field presence and in-country capacity and submit a proposal on the process to the Executive Board.¹ The Board examined this proposal at its December 2002 session and instructed IFAD to "proceed with the rapid country analysis of 15 countries with pertinent activities in the different regions".² It also suggested establishing an ad hoc working group of the Executive Board, with representatives of the three Lists.
3. The country analysis identified a clear need – at the level of governments and other in-country partners, including the donor community – for a closer and more continuous involvement of IFAD in field activities. The results also supported earlier findings that while ongoing "proxy field-presence" instruments permitted IFAD to facilitate project implementation, generally they were not suited to catalytic action related to policy dialogue and partnership-building.³
4. In September 2003, the Executive Board, supported by its working group on field presence, authorized IFAD to elaborate guidelines and criteria for the selection of countries and instruments to enhance in-country presence, and to submit an implementation programme for a maximum of 15 time-bound pilot initiatives. In December 2003, the Executive Board authorized implementation of the Field Presence Pilot Programme (FPPP) for a period of three years, with an approved budget of US\$3 million.⁴

B. Objectives and scope

5. The objective of an enhanced field presence, as stated in the original proposal approved by the Executive Board, is to enable IFAD to play a more effective catalytic role in-country, strengthening the impact of its activities on the socio-economic situations of its target group and building up local capacities. Other general effects considered desirable in specific circumstances include better project supervision and improved support to research institutes and NGOs. However, each proposal for field presence may also suggest other objectives specific to the local needs.

C. Country selection and design of initiative briefs

6. In December 2003, IFAD Management submitted for the information of the Executive Board⁵ eight initiative briefs in connection with the FPPP: China, the Democratic People's Republic of Korea and Mongolia; the Congo and the Democratic Republic of the Congo; Honduras and Nicaragua; India; Senegal and the Gambia; the Sudan; the United Republic of Tanzania and Malawi;⁶ and Yemen. This was followed by the submission of additional initiative briefs in April 2004 (Bolivia;

¹ REPL.VI/5/R.2, page 22.

² EB 2002/77/R.9/Rev.1.

³ EB 2003/79/R.3/Rev.1.

⁴ EB 2003/80/R.4.

⁵ EB 2003/80/INF.7.

⁶ Malawi was subsequently excluded.

Uganda);⁷ in September 2004 (Nigeria; Viet Nam),⁸ and in December 2004 (Egypt; Ethiopia; Haiti).⁹

7. These 15 pilot initiatives were selected for inclusion in the FPPP on the basis of the criteria set out in document EB 2003/80/R.4, as follows:
- (i) **High levels of poverty, particularly in rural areas.** All but one of the countries selected (China) have a Human Development Index below 100,¹⁰ implying high levels of poverty and low development (appendix I).¹¹ Included in the FPPP are: India considered as having the largest number of poor people worldwide; Haiti, the poorest country in the western hemisphere; Ethiopia with a 45 per cent poverty headcount index; Nigeria, the most populous country in Africa, with a rural poverty headcount of 50 per cent; and the Sudan, where an estimated 85 per cent of the rural population live in extreme poverty.
 - (ii) **A sufficiently conducive environment at the level of government, and other development partners and policies.** While it is not easy to arrive at an objective measure of "conducive environment", proxy measures include scores of the World Bank's International Development Association Resource Allocation Index (IRAI)¹² and, for eligible countries, progress towards fulfilling requirements for participation in the Debt Initiative for Heavily Indebted Poor Countries (HIPC). Of the 19 countries selected for the FPPP, an IRAI has been assigned for 17 (China and Egypt excluded). Of these, 11 fall within the top three quintiles, indicating a conducive policy environment but not necessarily favourably biased towards rural poverty. Four of the six countries in the lowest quintiles have reached the decision point under the HIPC Initiative, and one is at the HIPC pre-decision point. Three of the four in the lowest quintile (the Congo, the Democratic Republic of the Congo and Haiti) are emerging from crises. In accordance with the design specification, the potential for deepening partnerships with donors was built into the design of all pilot initiatives. Partnerships with NGOs and community-based organizations (e.g. Senegal) and with other international financial institutions (e.g. Nigeria) were also taken into account.
 - (iii) **An adequate prospective portfolio size.** As at the end of 2006, the number of projects in IFAD's current portfolio for FPPP countries stood at 69, or 30 per cent of all ongoing IFAD-funded projects, and equivalent to about 37 per cent of the value of the current portfolio (US\$1.36 billion compared with US\$3.68 billion). The FPPP includes countries with the largest portfolio of projects for four out of five of IFAD's regional divisions.
 - (iv) **Adequate regional distribution.** With three initiatives for each of IFAD's five regional divisions, adequate balance has been maintained in terms of regional distribution.

D. Implementation of the Field Presence Pilot Programme

8. The experimental nature of the FPPP has meant that the pace of implementation has varied. Of the 15 pilot initiatives, seven had operated for at least two and half years by end-2006: Bolivia; China and Mongolia; Haiti; Honduras and Nicaragua; India; the United Republic of Tanzania; and Viet Nam. These pilot initiatives have mostly met process indicators defined in the initiative brief and have made good progress on outcome indicators. Of the remaining, seven – the Congo and the Democratic

⁷ EB 2004/81/INF.4.

⁸ EB 2004/82/INF.8.

⁹ EB 2004/83/INF.8.

¹⁰ United Nations Development Programme, Human Development Index 2006.

¹¹ The pilot initiative in China also covers Mongolia, ranked 114.

¹² Formerly the Country Policy and Institutional Assessment.

Republic of the Congo; Egypt; Ethiopia; Senegal and the Gambia; Nigeria; the Sudan; and Uganda¹³ – only started in and after 2005 and faced delays, associated mostly with the finalization of memorandums of understanding with the United Nations Development Programme (UNDP). Because of their relatively short operational time, these pilot initiatives have still some way to go in achieving the expected results. Finally, Yemen did not become fully operational until July 2006 and thus lags significantly behind.

9. The pilot initiatives are housed by international or national partners. Approximately half are housed by UNDP. These include the Congo and the Democratic Republic of the Congo; Egypt; Ethiopia; Nigeria; Senegal and the Gambia; the Sudan; Uganda; and Yemen. The World Food Programme hosts the pilot initiatives in China and India, and the Food and Agriculture Organization of the United Nations hosts the initiative in the United Republic of Tanzania. The remaining initiatives (Bolivia; Haiti; Honduras and Nicaragua; and Viet Nam) fall under other arrangements. The hosting institution usually provides office space, equipment and administrative support to the pilot initiative, including for vehicles and the international travel of field presence officers. The field presence officers are contracted under the terms and conditions of the hosting institutions.

E. Budget operations

10. In approving US\$3 million as the total budget, the Executive Board implicitly allowed for some delays in designing and implementing the individual pilot initiatives.¹⁴ Given the wide range of pilot initiatives foreseen, the Board also explicitly factored in the difficulty in arriving at standard (unit) budget projections. These assumptions proved to be valid during implementation as shown by the following table on budget operations.

Budget operations

(Thousands of United States dollars)

Region	Total encumbrance, pre-encumbrance and expenses				Total budget	Balance available for 2007
	2004	2005 ^a	2006 ^a	2004-2006		
Western and Central Africa	1	54	272	327	601	274
Eastern and Southern Africa	34	219	75	328	667	339
Asia and the Pacific	70	209	270	549	650	101
Latin America and the Caribbean	114	230	188	533	648	115
Near East and North Africa	-	109	114	223	434	211
Total	219	822	919	1 959	3 000	1 041

^a Including the amount carried over from previous year.

Note: Discrepancies are due to rounding.

Source: PeopleSoft budget status as at 30 January 2007.

11. The total budget made available for the FPPP is expected to be committed before the end of 2007.

F. Evaluation

12. In approving the FPPP, the Executive Board also required that an evaluation be undertaken by the Office of Evaluation "... to assess the FPPP in the light of its results and impact on the main objectives of the pilot programme, as illustrated

¹³ In Uganda, the field presence officer has been in place formally since April 2006 but, prior to the appointment, a consultant was working for IFAD as an "informal field presence".

¹⁴ The FPPP provides for an average budget for three years to be spent over a period of four years (2004-2007, inclusive), as set out in document EB 2003/80/R.4.

through the experience of each initiative, and to put forward findings and recommendations regarding possible future field presence programmes".¹⁵

13. The Office of Evaluation has begun the evaluation exercise with the active participation of the relevant IFAD staff under the core learning partnership arrangement. IFAD Management will examine the evaluation's findings and recommendations, and present a document summarizing its reaction to these to the September 2007 session of the Executive Board. It will also present at that time its proposal for future field presence-related action, seeking the Board's decision on whether to continue, expand, end or otherwise modify the FPPP.
14. Keeping in mind the need to learn operational lessons, IFAD Management undertook a self-assessment of the FPPP in the second and third quarter of 2006, and made this available to the Executive Board's working group on field presence.

G. Early results

15. The FPPP aims at supporting IFAD's vision and strategic framework by strengthening its impact on the socio-economic situation of its target group and by building up local capacities. These aims are to be realized by strengthening and integrating four interrelated dimensions: support to project implementation; policy dialogue; partnership; and knowledge management. In self-assessing FPPP's performance, IFAD Management has also added capacity-building as an area for assessment. The key results achieved by the FPPP are presented below (and the results achieved by individual pilot initiatives are summarized in appendix II).

Implementation support

16. The criteria for assessing progress in this area are largely aligned with the regular reporting processes already existing in IFAD and include quality and timeliness of accounts, audits and reports; availability of counterpart funds; disbursement rate; and compliance with loan agreement/procurement procedures. Depending on the terms of reference, pilot initiative staff are also expected to participate in supervision and design missions, follow up on recommendations of supervision missions and generally facilitate project implementation.
17. The pilot initiatives have contributed to reducing the time of project effectiveness (China and Mongolia; India). In China, through the efforts of the pilot initiative, three loans became effective that had been pending from one to two years. Similarly, in India, since the pilot initiative has started up, one project has become effective, with the period between loan approval and effectiveness significantly reduced when compared with the time previously required.¹⁶
18. In addition, the pilot initiatives have organized start-up workshops and participated in supervision missions for newly effective projects (the Congo and the Democratic Republic of the Congo; Senegal; Viet Nam; and Yemen). This has led to smoother start-ups and is expected to contribute to more coherent country programmes. Staff of pilot initiatives have also participated in project design missions (Senegal; the Sudan; Uganda; and Viet Nam) and facilitated the design of new projects and programmes.
19. With regard to audits, the pilot initiatives have helped lessen delays in the presentation of audits and also contributed to their improved quality by interacting closely with and regularly visiting each ongoing project (Bolivia; the United Republic of Tanzania). They have also helped improve the preparation of progress reports (Bolivia; India). In addition, the pilot initiatives have coordinated annual portfolio review workshops where common implementation issues are regularly highlighted.

¹⁵ Document EB 2003/80/R.4, paragraph 29.

¹⁶ More precisely, from 13.9 and 14.9 months for the previous two projects down to 9.6 months for this most recent project.

20. Overall, the pilot initiatives have contributed to the improved quality of project implementation. Their close interaction with projects has also helped IFAD to forge closer relationships with government institutions and cooperating institutions. For example, implementation problems or legal issues with government authorities are often solved with the mediation of the field presence officer (Bolivia; Ethiopia; Senegal; the Sudan; and Viet Nam). Consequently, the time required from submission of withdrawal applications to disbursement has decreased, implementation of relevant recommendations is timelier and supervision has improved overall. In Haiti, the field presence officer has helped build project administrative capacity and improved the arrangements with government authorities and the cooperating institution.
21. The pilot initiatives have also provided technical support for project implementation (Egypt; Haiti; Senegal; the Sudan) in areas such as monitoring and evaluation (M&E), impact assessment, marketing and infrastructure.

Policy dialogue

22. Policy impact is a lengthy process requiring regular interaction and follow-up with governments and other stakeholders. Therefore, evidence of policy impact will be most visible in countries where the pilot initiatives have operated the longest. In light of this, the FPPP's impact on policy dialogue can be measured by progress indicators that include: (i) number of policy forums that pilot initiative staff have participated in and contributed to; (ii) number of written/oral presentations; and (iii) number of partnerships and linkages established/institutionalized at the policy level. Outcome indicators include: (i) increased overall knowledge about IFAD at country/regional level; (ii) visible progress in reducing perceived policy and institutional obstacles to rural poverty reduction; (iii) increased attention to addressing rural poverty issues in country/regional-level policy documents; (iv) greater emphasis on rural poverty programmes in resources allocated to the agricultural sector in government budgets; and (v) increased agricultural orientation to rural poverty reduction.
23. In almost all countries, the pilot initiatives have participated in policy forums and established linkages with governmental authorities on specific thematic issues, particularly those related to poverty reduction strategies. For example, in China, the pilot initiative contributed inputs to the China Banking Regulatory Commission on the banking reform process and, as a result, IFAD is expected to be increasingly involved in the country's rural finance discourse. In Bolivia, the pilot initiative has participated in rural policy meetings in order to ensure that IFAD target groups and their priorities were given sufficient attention in government programmes. IFAD's experience has been reflected in government reports, and the Fund is expected to be significantly involved in the presentation of the national development plan. In the United Republic of Tanzania, the experiences of IFAD projects have informed the national poverty reduction strategy, which now adequately addresses the concerns of IFAD's target groups.
24. Encouraging outcomes of the pilot initiative's efforts to increase knowledge of IFAD's work have been verified in many countries. In Honduras/Nicaragua there is, for instance, an increased recognition of IFAD's work in reducing rural poverty, evidenced by the number of times IFAD is mentioned in national policies and strategies, and in donors' meetings. Similarly, the Government of India perceives IFAD as a partner in implementation rather than a donor agency, and has expressed appreciation for the innovative approaches and catalytic models promoted by the Fund. In Viet Nam, the pilot initiative has cooperated with the Committee for Ethnic Minorities and Mountainous Areas, other government authorities and the Department for International Development of the United Kingdom of Great Britain and Northern Ireland in the formulation of an interministerial circular on implementation guidelines for a major national poverty reduction programme.

Finally, in Haiti, the pilot initiative has generated an improved knowledge about IFAD, and institutional attention to rural poverty reduction has increased.

25. As a consequence, at least in part, of the pilot initiative's engagement in policy discourse in Uganda, the Government's budgetary allocation to IFAD-financed projects has increased by 25 per cent. Similarly, because of the intense engagement of the field presence officer in policy dialogue, the Government of Senegal now systematically consults with the pilot initiative on matters related to IFAD strategy and operations. The pilot initiatives have facilitated the process for updating performance assessments associated with the performance-based allocation system (Honduras and Nicaragua; Viet Nam), which is expected to lead to greater country ownership of these assessments.

Partnerships

26. Partnership-building refers to the relationship of IFAD with in-country stakeholders — bilateral and multilateral development agencies, international financial institutions, NGOs and the private sector, together with beneficiaries and government authorities. The results of the FPPP in terms of partnership development can be assessed by looking at the number of meetings held with government institutions, civil society and donors. The outcomes of the partnership-building efforts relate instead to (i) closer alignment of IFAD programmes with national mechanisms and objectives in relation to rural poverty reduction; (ii) better coordination with civil society; (iii) greater cooperation and coordination with donors; and (iv) more opportunities for cofinancing.
27. As in the case of policy dialogue, the changes envisaged in the outcome indicators listed above require pilot initiative involvement to be continuous and long-term. At the activity level, however, all pilot initiatives have been active in donor forums (donor partnership groups) and thematic groups (e.g. in agriculture, rural development, rural finance). Pilot initiative staff regularly participate in meetings of the United Nations Development Assistance Framework and in United Nations Country Teams. In Ethiopia, the IFAD representative is a member of the United Nations Country Team. Similarly, pilot initiatives in Nigeria and the Sudan have entered into a fruitful relationship with the World Bank.
28. The pilot initiative in the United Republic of Tanzania took part in task forces set up to resolve issues associated with basket funding mechanisms, thereby ensuring effective IFAD representation in sector-wide approach initiatives. Partnerships with private-sector organizations such as Nokia and Tetra Pak are also being developed by the pilot initiative in collaboration with UNDP.
29. In Bolivia, the pilot initiative has successfully mobilized resources for innovative initiatives and promoted partnership agreements between IFAD and other stakeholders. In India, several partnerships with donors and civil society organizations have been initiated to promote the farmer field school concept and introduce improved groundnut and crop varieties. The pilot initiative also worked with the German Agency for Technical Cooperation and the Department for International Development to finalize a grant agreement for financial and technical support to the IFAD-financed Orissa Tribal Empowerment and Livelihoods Programme.
30. In Viet Nam, the pilot initiative has made IFAD an effective and visible partner for a variety of stakeholders. It cooperated with CARE International, Oxfam and ActionAid in organizing a workshop and mobilizing funds for formulating a policy on rural community-based organizations. It also initiated research on rural farmer's organizations, to be led by IFAD and the Ministry of Agriculture and Rural Development, as an input into preparatory work for the government decree on rural cooperative groups.

Knowledge management

31. The knowledge management dimension of the FPPP aims at reinforcing the flow of knowledge between IFAD and local stakeholders. At the design stage, the FPPP's progress on knowledge management was expected to be monitored by, inter alia, (i) regular substantive reporting to IFAD headquarters; (ii) participation in relevant country-level thematic groups and communities of practices; (iii) regular knowledge sharing with in-country stakeholders; and (iv) briefings of visiting missions. The outcomes of the knowledge management activities would be monitored by looking at: (i) the improved IFAD headquarters knowledge base related to country/region; (ii) improved capacity of country programme managers for monitoring, and participating in, national policy dialogue; (iii) enhanced lesson-sharing with and among projects; and (iv) more replication and scaling-up of the Fund's successful innovative approaches to rural poverty reduction.
32. Almost every pilot initiative has implemented activities to facilitate learning and knowledge management. Eleven of the fourteen operational pilot initiatives have submitted progress reports. In Bolivia, the Congo and the Democratic Republic of the Congo, Haiti and Viet Nam, they have facilitated the organization of field events aimed at systematizing information-sharing and comparing approaches among projects. As a result, the cooperation among IFAD projects in these countries has considerably increased. In Uganda, pilot initiative staff have been nominated to two government committees, one enhancing knowledge on agroprocessing and the other on rural finance issues.
33. Pilot initiatives have been involved in the organization of thematic meetings and workshops (Bolivia; the United Republic of Tanzania; Viet Nam). They have supported the preparation of publications (Bolivia) and knowledge dissemination events (such as the innovative Learning Routes Training Programme in Bolivia and in Honduras and Nicaragua, which offers farmers and technical staff an opportunity to learn from one another and other projects).
34. In Viet Nam, the pilot initiative provided information on IFAD experience to government authorities for the formulation of the national programmes on poverty reduction. In China, the pilot initiative provided assistance in reviving the Knowledge Networking for Rural Development in Asia/Pacific Region's Web-based Chinese sub-site with support from the Ministry of Finance and the national Office of Poverty Alleviation. The website improves the flow of critical information among projects, partner institutions, interested agencies and IFAD headquarters. In the Sudan, the pilot initiative has contributed written feedback to the Multi-Donor Trust Fund on the experiences of IFAD projects.
35. Because of their modest budgets, pilot initiatives have experienced constraints in undertaking knowledge management activities requiring significant resources such as assisting projects in carrying out analytical studies or pilot interventions (India). A limited set of activities was implemented in Egypt and Nigeria.
36. Support from IFAD headquarters involves the dissemination of knowledge about IFAD. So far, staff from 11 of the pilot initiatives have visited headquarters to receive briefings, to attend the Governing Council, or to participate in loan negotiations. Pilot initiative staff from the Eastern and Southern Africa Division and the Latin America and the Caribbean Division (PL) regularly participate in annual divisional retreats. In 2006, PL held its first retreat for in-country staff, including the outposted country programme manager and pilot initiative staff. To facilitate communication, pilot initiative staff have been given access to IFAD's Intranet and IFAD e-mail addresses.

Local capacity-building

37. Together with knowledge management, the creation of a field presence by IFAD in partner countries is expected to generate new opportunities for enhancing the capabilities of local project staff. This trend is apparent in most pilot initiatives.
38. The impact of the pilot initiatives on local capacities has been generated through formal and informal channels. With regard to formal channels, the pilot initiative in Viet Nam, for instance, organized workshops centred on gender and M&E issues for commune, district and provincial authorities. In Nicaragua, the pilot initiative has strengthened the technical and administrative capacities of local staff through capacity-building. In China, the pilot initiative has sought out opportunities for IFAD counterparts to participate in IFAD events held both in and outside China.¹⁷ These activities have positively impacted on the national staff's knowledge and understanding of IFAD concerns such as M&E, and the results and impact management system. M&E was also the subject of a thematic seminar in Senegal.
39. The pilot initiative in the United Republic of Tanzania has worked to build the capacity of government counterparts to target activities to the rural poor, design pro-poor investments and address policy issues. In India, capacity-building activities have been included during performance assessments of training institutions and NGOs involved in IFAD operations.
40. Informal channels to build capacity are related to the characteristics and expertise of the pilot initiative. In Haiti, since the field presence officer is a former project director, current managers look to the pilot initiative as a source of knowledge on operational and management issues. In Bolivia, an IFAD country team has been created that allows for better coordination and greater synergies among projects.¹⁸ Support to M&E capacities is also a major feature of pilot initiatives (the Congo and the Democratic Republic of the Congo; Ethiopia; Senegal and the Gambia).

H. Lessons learned

41. As can be discerned from the above analyses, despite a relatively limited implementation period, the FPPP has shown positive results in terms of process indicators and encouraging signals with regard to outcome indicators. Several constraints have been identified, however. These include:
 - (i) **Status and formal arrangements.** Owing to the pilot and evolving nature of the FPPP, individual pilot initiatives are not always clear whether their roles should be managerial, advisory or supervisory. This also reflects the nature of the contracts IFAD has with pilot initiative staff, which inhibits delegation of appropriate authority.
 - (ii) **Financial resources.** Funding for pilot initiatives is considered adequate only for the minimal operations and not sufficient to respond to all the demands for support from projects. Limited provision for in-country travel is cited by most pilot initiatives as a major constraint. The current average unit budget tends to rule out entering into a hosting arrangement with most international financial institutions.
 - (iii) **Human resources.** Limited allocation of financial resources has also led to inadequate staffing levels (most pilot initiatives are staffed by a single individual). In addition, lack of training opportunities and lack of career prospects (short contracts, little development potential) were also identified as constraints. Contractual arrangements (either consultancy or through host institutions) may be perceived as a lack of commitment by IFAD.

¹⁷ These include workshops on IFAD's regional strategy evaluation in the Asia and the Pacific region, on the results and impact management system and on implementation issues.

¹⁸ The IFAD Country Team was formally created in 2005 and comprises the field presence officer, project staff, the cooperating institution and other key stakeholders in the country.

- (iv) **Administrative procedures.** The relationship with the host institution affects the administrative capacity of the pilot initiative. In some cases, procedures are slow, inhibit the resolution of operational issues and lack flexibility. This hampers the potential to further decentralize activities in which the pilot initiative would have a significant advantage such as the recruitment of local consultants and the organization of workshops. More importantly, current institutional arrangements inhibit the delegation of authority.
 - (v) **Coverage.** Four of the pilot initiatives cover two countries. Since most of these initiatives are relatively young, pilot initiative staff have managed to cover both countries effectively. As activities increase, it may not be possible to effectively serve both countries.¹⁹
42. While ad hoc administrative arrangements have been made to address the constraints identified above, a more systematic approach needs to be taken should a decision be made to extend the FPPP. This would include:
- (i) **Definition of the strategic and institutional orientation of pilot initiative staff** with respect to projects, national authorities, donors, cooperating institutions and IFAD headquarters. This should be accompanied by a **clarification of the FPPP's role in each country** preceded by in-depth assessments of the country context vis-à-vis the capabilities and opportunities available to the pilot initiative. The initial strategy of each pilot initiative would then be updated taking into consideration changing circumstances and the early results achieved.
 - (ii) **Additional efforts to improve IFAD's visibility in-country** by taking advantage of opportunities such as the formal presentation of pilot initiative staff to government authorities, donors and other stakeholders; involvement of pilot initiative staff in workshops and retreats; and the provision of adequate communication materials and other pertinent documents.
 - (iii) **Improvement in the operational efficiency of the pilot initiatives** by establishing and implementing streamlined procedures that take into account the needs of the pilot initiatives as well as IFAD's accounting and administrative procedures. Improved operational efficiency can be achieved through better prioritization of the pilot initiative's objectives on the basis of the opportunities and capabilities available in compliance with the country strategy and approach. Prioritization may also require a reduction of the geographical focus of some pilot initiatives unless additional financial and human resources can be mobilized.
 - (iv) **Close linkages with IFAD's new approach to country engagement** – in particular with direct supervision and in-country project development teams – and with alignment and harmonization agenda.
 - (v) **Closer alignment with the United Nations reform agenda**, with a special focus in pilot countries chosen under the One United Nations initiative, and an institution-wide agreement with hosting agencies aiming at institutionalizing IFAD's presence in selected countries.
43. In summary, early results show that the FPPP has made IFAD more visible and more efficient working in-country, and has allowed for better and more consistent follow-up. It is expected that this, in turn, will improve both the quality of country programmes and their impact on the rural poor.

¹⁹ For example, it was originally envisaged that the pilot initiative in the United Republic of Tanzania would cover Malawi, which was dropped in order to provide more effective coverage in the United Republic of Tanzania.

REVIEW OF FPPP COUNTRY CONTEXT

Country	Poverty Features	Context	IRAI Score	HIPC Status	IFAD Portfolio	
					Number of Projects	Financing (USD million)
Western and Central Africa						
Congo/ Democratic Republic of the Congo	<u>Congo</u>	<ul style="list-style-type: none"> Area of protracted conflicts Need to restore basic elements of livelihoods Strong capacity of NGOs 5 years post-conflict assistance preparing the ground for larger development projects 	2.79	Decision	Congo, 2	Congo , 20.32
	<u>Democratic Republic of the Congo</u>		<ul style="list-style-type: none"> 140 HDI ranking 167 HDI ranking 	2.84	Decision	DR Congo, 2
Nigeria	<ul style="list-style-type: none"> 50% rural poverty headcount 150 HDI ranking 	<ul style="list-style-type: none"> Largest country in West Africa Urban bias in public expenditures Headquarters of the Economic Community of West Africa (ECOWAS) and International Institute of Tropical Agriculture (IITA) 	3.14	Not applicable	3	67.95
Gambia/ Senegal	<u>Gambia</u>	<ul style="list-style-type: none"> IFAD is the major donor Great potential for policy forum/participating in PRSP process 	3.08	Decision	Gambia, 2	39.06
	<u>Senegal</u>		<ul style="list-style-type: none"> 156 HDI ranking 61% rural poverty headcount 	3.75	Completion	Senegal, 5
Eastern and Southern Africa						
Ethiopia	<ul style="list-style-type: none"> 44% poverty headcount 170 HDI ranking 	<ul style="list-style-type: none"> 2nd most populous nation in Sub-Saharan Africa Largest recipient of development assistance from IFAD in sub-Saharan Africa Rome Declaration (2003) Ethiopia is a frontier country for common framework for policy dialogue and donor coordination Headquarters of the UN Economic Commission for Africa (UNECA) 	3.38	Completion	4	91.05
United Republic of Tanzania	<ul style="list-style-type: none"> 39% rural poverty headcount 162 HDI ranking 	<ul style="list-style-type: none"> Second largest portfolio in the region Government emphasis on SWAPs Positive experience of cooperation with the Government for developing pro-poor strategic framework for rural and agricultural development 	3.94	Completion	5	95.36
Uganda	<ul style="list-style-type: none"> 38% poverty rate 145 HDI ranking 	<ul style="list-style-type: none"> Government emphasis on SWAP; Strong donor influence on government's decision making process Active donor community 	3.88	Completion	5	81.64

Country	Poverty Features	Context	IRAI Score	HIPC Status	IFAD Portfolio	
					Number of Projects	Financing (USD million)
Asia and the Pacific						
China/ Mongolia	<u>China</u>	<u>China</u>	n/a	Not applicable	China, 6	China , 212.12
	<ul style="list-style-type: none"> widespread urban/ rural inequality; 81 HDI ranking 	<ul style="list-style-type: none"> IFAD second largest portfolio Limited collaboration with policy makers and donor community 				
	<u>Mongolia</u>		3.44	Not applicable	Mongolia, 1	Mongolia , 14.81
	<ul style="list-style-type: none"> 32% rural poverty headcount 116 HDI ranking 	<ul style="list-style-type: none"> Positive experience with the WFP/IFAD liaison office Handover of ministerial responsibilities for IFAD projects 				
India	<ul style="list-style-type: none"> 30% rural poverty headcount 126 HDI ranking 	<ul style="list-style-type: none"> Accounts for about. 1/3 of the world's poor Largest portfolio Long time before project effectiveness due to the federal character of India administration 	3.77	Not applicable	9	212.12
Viet Nam	<ul style="list-style-type: none"> 36% rural poverty headcount 109 HDI ranking 	<ul style="list-style-type: none"> Recent design of the Comprehensive Poverty Reduction and Growth Strategy Donor harmonisation agenda 	3.74	Not applicable	2	45.66
Latin America and the Caribbean						
Bolivia	<ul style="list-style-type: none"> 82% rural poverty headcount 115 HDI ranking 	<ul style="list-style-type: none"> Turnover in public institutions Limited project effectiveness Recently elected government has defined New Development Plan 	3.71	Completion	2	20.14
Haiti	<ul style="list-style-type: none"> 66% poverty headcount 154 HDI ranking 	<ul style="list-style-type: none"> Poorest country in western hemisphere Transition Government process of identification of priority social and economic reform programmes Support and solidarity by the international community to the transition government 	2.77	Pre-decision	2	37.05
Honduras/ Nicaragua	<u>Honduras</u>					
	<ul style="list-style-type: none"> 80% rural poverty headcount 117 HDI ranking 	<ul style="list-style-type: none"> Poverty aggravated by civil war, economic collapse and natural disasters (Hurricane Mitch) 				
	<u>Nicaragua</u>		3.91	Completion	Honduras, 1 ^t	Honduras, 36.50
	<ul style="list-style-type: none"> 68% rural poverty headcount 112 HDI ranking 	<ul style="list-style-type: none"> Selected by IFAD for undertaking a coordination exercise among the different IFAD-financed regional programmes 				
		<u>Nicaragua</u>	3.72	Completion	Nicaragua, 2	Nicaragua, 28.20
		<ul style="list-style-type: none"> History of positive project experiences 				

^t The PRONADEL Programme comprises two loans (HON-519 and HON-560)

Country	Poverty Features	Context	IRAI Score	HIPC Status	IFAD Portfolio	
					Number of Projects	Financing (USD million)
<i>Near East and North Africa</i>						
Egypt	<ul style="list-style-type: none"> • 29% rural poverty headcount • 111 HDI ranking 	<ul style="list-style-type: none"> • Largest population in the Middle East • Ongoing institutional and policy reform • Increasing move towards donor coordination and engagement in policy dialogue 	n/a	Not applicable	3	68.48
Sudan	<ul style="list-style-type: none"> • 141 HDI ranking 	<ul style="list-style-type: none"> • Accounts for 1/3 of the poor population in NENA • Political, economic and social transformation process (signing of peace agreement, macroeconomic stabilisation programmes) • Sudan key policy area for poverty reduction in harmony with IFAD strategy and expertise 	2.59	Pre-decision	4	78.92
Yemen	<ul style="list-style-type: none"> • 34% rural poverty headcount • 150 HDI ranking 	<ul style="list-style-type: none"> • Poorest country in NENA region. • Implementation of IFAD projects affected by lack of counterpart funds, inadequate control and monitoring and complex administrative procedures 	3.29	Not applicable	5	62.12

REVIEW OF FPPP KEY ACTIVITIES AND ACHIEVEMENTS

COUNTRY	IMPLEMENTATION SUPPORT	POLICY DIALOGUE	PARTNERSHIP	KNOWLEDGE MANAGEMENT	CAPACITY BUILDING	SHORTCOMINGS
Western and Central Africa						
Congo/ Democratic Republic of the Congo	<ul style="list-style-type: none"> • Smoother project start-up • More coherent country programmes 	<ul style="list-style-type: none"> • Contribution to policy forums related to poverty alleviation • Participation in review of interim PRSP 	<ul style="list-style-type: none"> • Participation in donor thematic groups in order to better harmonise intervention strategies • Discussions with NGOs, farmers organisation, service providers 	<ul style="list-style-type: none"> • Organisation of meetings with project staff to share lessons • Regular collection and sharing of information with IFAD HQ 	<ul style="list-style-type: none"> • Coaching to new IFAD project staff 	<ul style="list-style-type: none"> • Arrangement with UNDP decreases visibility • Lack of provision for mobility • Potentially inadequate resources to cover two countries
Nigeria	<ul style="list-style-type: none"> • Contribute to implementation of IFAD's country programmes, i.e. participation in supervision missions • Follow-up on ad-hoc issues of specific interest to IFAD (e.g. Avian flu, RIMS, contribution to 6th & 7th Replenishments), liaison with Federal Ministries of (i) Agriculture, (ii) Finance and (iii) Environment • Participation in design of new programmes: Rural Finance and Rural Micro Enterprise 	<ul style="list-style-type: none"> • Contribution to IFAD's key areas for policy dialogue in 2006: rural finance and rural micro enterprises • Secretariat of the Consultative Group on agriculture and rural development • Member of the World Bank Country Portfolio Performance Review Group • Member of the Nigeria Donor Working Group on Environment • Contribution to ECOWAS Regional Agricultural Policy/cross-border trade • Contribution to linking CSOs with government 	<ul style="list-style-type: none"> • Strengthened partnership with WB, DFID, AfDB, GTZ, CIDA, UNDP, FAO, USAID, Ford Foundation on rural finance and rural micro enterprise development • Contribution to fostering linkages between IFAD's operations and WB/DFID/FAO/GTZ/AfDB programme activities • Contribute to donors' meetings at large • Buy-in of national financial and poverty eradication institutions in co-financing of rural finance and rural micro enterprise programmes • Discussions on partnership with FOs and rural-focused CSOs and NGOs 	<ul style="list-style-type: none"> • Sharing IFAD-relevant information with government, IFAD programmes, cooperation partners and Headquarters • Dissemination of IFAD's publications 	<ul style="list-style-type: none"> • Preparations for the mapping of existing farmers organisations (roadmap, TORS) 	<ul style="list-style-type: none"> • Lack of mobility • Insufficient funding for the Field Office activities and staff • Time consuming efforts to bring key ministries into actions/decisions of interest to IFAD
Gambia/ Senegal	<ul style="list-style-type: none"> • Involvement in project design (M&E) • Participation in supervision missions • Improved communication between projects and CI 	<ul style="list-style-type: none"> • Participation in donor thematic groups – rural development and food security • Government consults with FPPI on matters related to IFAD 	<ul style="list-style-type: none"> • Discussions with key donors, farmer organisations on current and potential collaboration 	<ul style="list-style-type: none"> • Regular collecting and sharing of "intelligence" information to IFAD HQ • Organisation of M&E seminar • Participation in regional workshops 	<ul style="list-style-type: none"> • M&E support 	<ul style="list-style-type: none"> • Arrangements with UNDP not very effective • FPO non IFAD status problematic • Limited resources to cover two countries

COUNTRY	IMPLEMENTATION SUPPORT	POLICY DIALOGUE	PARTNERSHIP	KNOWLEDGE MANAGEMENT	CAPACITY BUILDING	SHORTCOMINGS
Eastern and Southern Africa						
Ethiopia	<ul style="list-style-type: none"> Participation in supervision and follow-up missions Follow-up on recommendations of supervision mission to ensure timely implementation 	<ul style="list-style-type: none"> Participation in the joint review of the Ethiopia plan for poverty reduction Thematic contribution on water harvesting techniques 	<ul style="list-style-type: none"> Strengthened relationship with UNDP units Enhanced recognition of IFAD as development partner (UNDAF) IFAD official member of UN Country Team 	<ul style="list-style-type: none"> Participation in thematic working groups National knowledge sharing workshop planned 	<ul style="list-style-type: none"> Support to M&E 	<ul style="list-style-type: none"> Slow administrative procedures of the host institution Strengthen the office through training
United Republic of Tanzania	<ul style="list-style-type: none"> Participation in design and supervision missions Systematic follow-up on issues raised during supervision missions Improvement in PSR ratings, including audit and M&E 	<ul style="list-style-type: none"> Policy discussion for the Agricultural Sector SWAp Concerns of IFAD target group articulated during development of the Tanzania poverty strategy 	<ul style="list-style-type: none"> Involvement in the government task force to related to banded funding Involvement in donor meetings and managing in-country partnerships Attends UN Country Team meetings Developing partnerships with Nokia and TetraPak 	<ul style="list-style-type: none"> Regular reporting on events and issues to IFAD HQ 	<ul style="list-style-type: none"> Improved capacity of government counterparts on targeting, pro-poor investments, policy 	<ul style="list-style-type: none"> Limited human resources
Uganda	<ul style="list-style-type: none"> Contribution to audit reports Supervision of on-going programmes Expected participation in formulation mission 	<ul style="list-style-type: none"> Inclusion of IFAD programmes in Government Development Plans Increased allocation of funds to agricultural sector 	<ul style="list-style-type: none"> Participation in the development of Local Government Sector Investment Plan Partnership seeking with donors and private sector operators 	<ul style="list-style-type: none"> Nominated to the PMA sub-committees on marketing/ agro-processing and rural finance sub-committees 	<ul style="list-style-type: none"> No activities 	<ul style="list-style-type: none"> High cost for mobility No orientation by host institution
Asia and the Pacific						
China/ Mongolia	<ul style="list-style-type: none"> Three loans became effective after FPPI follow-up Communication channel with entire country program offices is active facilitating PMOs on loan administration and M&E Facilitation of supervision missions and follow up on SV recommendations 	<ul style="list-style-type: none"> Ongoing consultation process on the banking reform and IFAD's potential contribution Report to IFAD HQ on policy related workshops/consultations 	<ul style="list-style-type: none"> Participation in donor thematic group on rural finance Setting-up of a roster of donor and update donor activities relevant to poverty alleviation Liaise between IFAD and GTZ Scout for other partnerships 	<ul style="list-style-type: none"> Participation in UN thematic group on poverty and inequality Chinese language web-site is active Support to MOF-IFAD self assessment study on the effectiveness of the IFAD funded country program Govt policy information update 	<ul style="list-style-type: none"> Scouting opportunities for participation of IFAD counterparts in IFAD events Gender mainstreaming training to projects staff 	<ul style="list-style-type: none"> Delay in the installation of the FPPI

COUNTRY	IMPLEMENTATION SUPPORT	POLICY DIALOGUE	PARTNERSHIP	KNOWLEDGE MANAGEMENT	CAPACITY BUILDING	SHORTCOMINGS
India	<ul style="list-style-type: none"> Improvement in the period between loan approval and effectiveness Coordination of the Portfolio Review Workshop Downward trend in the number of risk factors (PBAS) Support in financial management and M&E/RIMS 	<ul style="list-style-type: none"> Improved cooperation with Central and State Governments IFAD perceived as a partner more than a donor Participation in policy fora and consultation 	<ul style="list-style-type: none"> Strengthened coordination and collaboration with donors and civil society Cooperation with FAO, ICRISAT and CIP for specific project activities Liaise with GTZ and DfID for grant financing 	<ul style="list-style-type: none"> Limited involvement in knowledge management initiatives 	<ul style="list-style-type: none"> Review of the performance of project service providers (NGOs, training institutions) 	<ul style="list-style-type: none"> Difficult to transfer funds directly to FPPI Inadequate financial resources Lack of clarity on FPPI's role and responsibilities with respect to CI and Government
Viet Nam	<ul style="list-style-type: none"> Provision of inputs to mid-term and supervision missions Improved communication between UNOPS, IFAD and project directors Organisation of start-up workshop for DPPR Support to project formulation Support to design and implementation missions 	<ul style="list-style-type: none"> Representation in national workshop Updating of PBAS 2005 Support to formulation of Government decree Formulation of guidelines for infrastructure development and management Formulation of implementation guidelines for P135 	<ul style="list-style-type: none"> Cooperation with Care, Oxfam and ActionAid regarding policy on rural CBOs Participation in thematic groups IFAD core member of ISG/MARD Improved visibility of IFAD 	<ul style="list-style-type: none"> Contribution to P135 Participation and organisation of workshops 	<ul style="list-style-type: none"> Organisation of M&E workshop Organisation of country programme review workshop 	<ul style="list-style-type: none"> Agreement with Government is required on the status of the FPPI, privileges and immunities
Latin America and the Caribbean						
Bolivia	<ul style="list-style-type: none"> Increased availability of counterpart funds Decrease in delays in presentation of audit and progress reports Improved quality of reports Reduction in time for reimbursement of withdrawal applications Solution of legal problems with governmental authorities 	<ul style="list-style-type: none"> Representation in policy thematic groups on indigenous people and camelids 	<ul style="list-style-type: none"> Signing of cooperation agreement with donors Co-financing increased Mobilisation of resources for innovative initiatives 	<ul style="list-style-type: none"> Organisation of thematic meetings Support for the preparation of reports Organisation of 22 learning routes 	<ul style="list-style-type: none"> Creation of IFAD Country Team 	<ul style="list-style-type: none"> Legal/ Formal delays

COUNTRY	IMPLEMENTATION SUPPORT	POLICY DIALOGUE	PARTNERSHIP	KNOWLEDGE MANAGEMENT	CAPACITY BUILDING	SHORTCOMINGS
Haiti	<ul style="list-style-type: none"> Regular visits to projects Facilitation of meeting with all project directors Increase availability of counterpart funds 	<ul style="list-style-type: none"> Engagement in policy dialogue with the transition and new government Preparation of three international meeting on the status of the ICF Support to formulation of policies on water management 	<ul style="list-style-type: none"> Regular dialogue with donors 	<ul style="list-style-type: none"> Participation in field events organised by projects Improved information sharing among projects Improved cohesion between projects and HQ 	<ul style="list-style-type: none"> Provision of technical and managerial advice 	<ul style="list-style-type: none"> Delay in funding salary and operational costs Clarification of FPO position vis-à-vis projets Clarification of responsibility with respect to CI, IFAD
Honduras/ Nicaragua	<ul style="list-style-type: none"> Improved quality of accounts and audits (especially in Nicaragua) Follow-up on counterpart funds, loan agreement, procurement procedures. 	<ul style="list-style-type: none"> Support to the PBAS rural sector analysis Nicaragua: alignment with MDG and PRSP 	<ul style="list-style-type: none"> Some interaction with stakeholders Enhanced coordination with donors 	<ul style="list-style-type: none"> Information dissemination activity Sharing of experience abroad 	<ul style="list-style-type: none"> Improved capacity with respect to administrative and work procedures 	<ul style="list-style-type: none"> Clarify responsibility with the CI Clarify the role of the FPPI in the country Clarify role and responsibilities with the hosting institution
Near East and North Africa						
Egypt	<ul style="list-style-type: none"> Support to projects in areas of marketing, infrastructure works, audit reporting, and ME Participation in IFAD design mission for new project, including PDT membership Participation in WB and UNOPS supervision missions Participation in IFAD completion evaluation of TAG. 	<ul style="list-style-type: none"> Participation in seminars and regional consultations 	<ul style="list-style-type: none"> Partnership established with the Ministries of Planning and Local Development, and with the Social Development Fund Strengthened relationship with WB, AfDB, UNDP and Italian Cooperation Inclusion of IFAD in UNDAF publication Involvement in the multi-donor DAG 			<ul style="list-style-type: none"> Lack of formal orientation Funding

COUNTRY	IMPLEMENTATION SUPPORT	POLICY DIALOGUE	PARTNERSHIP	KNOWLEDGE MANAGEMENT	CAPACITY BUILDING	SHORTCOMINGS
Sudan	<ul style="list-style-type: none"> Participation in design missions Technical input on impact survey Improved M&E reporting 	<ul style="list-style-type: none"> Participation in donors group on food security and land tenure Participation in thematic government-donors meetings 	<ul style="list-style-type: none"> Strengthened relationship with the WB, German and Italian Embassies, FAO and UNDP Involvement in the Multi-donor Task Force (MDTF) 	<ul style="list-style-type: none"> Feedback to MDTF on project concept papers Improved knowledge sharing with donors, governments and among projects 	<ul style="list-style-type: none"> Training on RIMS Training on Procurement to the CCU 	<ul style="list-style-type: none"> Need for communication materials Clarification of FPO authority and allocation of additional budget resources Multiple layers in the management of the FPPI Slow administrative procedures at UNDP
Yemen	<ul style="list-style-type: none"> Participation in design mission (Rainfed project) Participation in country program review Participation in supervision with CI Follow up of counterpart funding issues with government Assistance to projects (Dhamar and Al Dhala) with AWPB preparation 	<ul style="list-style-type: none"> Initiation of policy discussions with Government on the need to strengthen the rural/agricultural analysis and priority identification in PRSP 	<ul style="list-style-type: none"> Follow up on issues of Yemen contribution to Seventh Replenishment Involvement in UN system consultations on Yemen operations Close cooperation with World Bank on Rainfed project (co financed) and Al Dhala (CI) 	<ul style="list-style-type: none"> Worked on preparation of knowledge management packages with Al Mahara project Knowledge sharing and information collection on donor programs 	<ul style="list-style-type: none"> No capacity building initiative taken yet 	<ul style="list-style-type: none"> MOU with UNDP not yet finalized Clarification of FPO authority Budget limitation

