IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Consultation on the Sixth Replenishment of IFAD's Resources – Third Session

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ENHANCING IFAD'S FIELD PRESENCE

I. BACKGROUND

1.   When IFAD started its operations in 1978, it was with the objective of mobilizing "additional resources to be made available on concessional terms for agricultural development in developing Member States" by providing finance "primarily for projects and programmes specifically designed to introduce, expand or improve food production systems and to strengthen related policies and institutions within the framework of national priorities and strategies, ...".[1] Moreover, IFAD's Lending Policies and Criteria specified small and landless farmers as the Fund's major target group.

2.   This basic mandate has not changed since IFAD's early years and was confirmed by the 1994 external assessment and the Governing Council of 1995. In addition, however, IFAD has been asked to assume a more diversified role as a catalyser of resources for the rural poor, by enhancing its activities in the fields of policy dialogue, partnership-building and knowledge management. The 2000 report of the Consultation to Review the Adequacy of the Resources Available to IFAD contained a list of recommendations along these lines and a plan of action to enhance the Fund's impact.[2]

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[1]   Agreement Establishing IFAD, Article 2.

[2]   Document GC 24/L.3.

3.   As to the implementation of IFAD's mandate, the founding members had ruled that these activities would, to a significant extent, be entrusted to other agencies as follows:

> "Project identification and preparation are normally the primary responsibility of the government seeking IFAD funds. The Fund will secure, where necessary, the services of other international or regional institutions to assist the countries in the identification and preparation of projects. The Fund, while utilizing the services of international and regional institutions in project appraisal and the supervision of project implementation, will itself actively participate in these activities, in order to ensure the observance of its lending policies and criteria".[3]

4.   Experience has shown that in order to comply with its specific mandate of assisting the poor rural producers as stipulated in the above-mentioned documents, IFAD has to be closely involved at all stages of the project cycle. The Fund has, therefore, increasingly taken over the responsibility of project design and participated to the extent possible in the supervision activities of the cooperating institutions (CIs). It has, moreover, obtained from its governing bodies the authority to supervise directly 15 projects on a pilot basis. In addition, IFAD is confronted with evolving trends in the approach of other donors, characterized by greater attention to sector support, increasing decentralization and emphasis on national ownership, in particular of the poverty reduction strategy paper (PRSP) process.

5.   The emphasis on achieving greater field impact through direct involvement in project design and supervision, coupled with the need to allocate increasing attention to the Fund's catalytic role (see paragraph 2) and to adapt to a new partnership environment, has revealed certain limitations in IFAD's structure and operational procedures.[4] In this connection, not only IFAD staff, but also many of its partners in the field and member governments have suggested that efforts be made to enhance the Fund's presence in the countries where it operates. Other United Nations agencies, donors and member governments are particularly asking for stronger field presence to permit IFAD staff to contribute to country-level dialogue on rural development. IFAD has therefore undertaken this study, which assesses the present situation and existing trends related to its own field presence and that of other donors, analyses the advantages and disadvantages and identifies and examines various options for strengthening the links between headquarters and the field. For the purpose of this study, the term "field presence" covers all permanent or temporary arrangements that permit IFAD to pursue its mission more effectively in a given country or (sub)region through physical or virtual links between headquarters and the partners in the field (projects, governments, donors, non-governmental organizations (NGOs), research institutions, public and private sector agencies, etc.).

II. FIELD-LEVEL PRESENCE OF OTHER DEVELOPMENT AGENCIES

6.   There is a long history of development agencies being present in developing countries on a permanent basis. A review (see Annex I) of the prevailing practices of multilateral and bilateral agencies, development banks and NGOs shows that this approach still persists, although historical reasons (e.g. the lack of qualified local manpower and of communication infrastructure) have now lost much of their justification. Existing field offices are rarely closed down and, in spite of the significant cost implications of such an approach, some agencies are even intensifying their physical presence at the regional or country level. The way this is being done has, however, evolved over the years, as illustrated below.

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[3]   Lending Policies and Criteria, Chapter V, paragraph 43.
[4]   The ongoing PRP/SCP (Process Re-Engineering Programme/Strategic Change Programme) is in part addressing these constraints.

7.   Most significantly, many agencies have started to decentralize responsibilities from headquarters to field offices. The latter are thus allocated new functions such as operations management, policy dialogue and in some cases resource allocation in addition to their original tasks of representation and logistics support. In particular, delegation of authority on resource decisions has clear implications in the context of IFAD's endeavours to enhance cofinancing with other donors. Moreover, there is an increasing tendency to staff country offices with nationals rather than out-posting headquarters staff or recruiting international personnel. This tendency reflects both the greater local availability of qualified personnel and the increasing need to adopt a cost-conscious approach. In recent years, most development agencies have intensified their use of modern information and communication methods to strengthen their physical links with countries and regions. It is unusual to find an organization without a corporate web site or a field office without e-mail access. These and other information technology (IT) tools are used to rationalize processes, cut costs and intensify contacts between headquarters and country/regional offices, and with partners in general.

III. IFAD'S PRESENT SITUATION

8.   IFAD's basic documents, such as the Agreement Establishing IFAD and the Lending Policies and Criteria, do not provide for any permanent physical field presence, such as country offices, reflecting the founders' intention to create a light and cost-effective institution. Through its loan and grant activities it can benefit, however, from different types of virtual support networks available through stakeholders in the countries and regions where it operates. In addition to maintaining direct contacts with countries and target groups during staff missions, IFAD has thus established a number of indirect and proxy links of a temporary or permanent nature. Missions by IFAD consultants and CI staff and consultants represent the main temporary links. More medium and long-term types of field presence include informal collaboration with focal points and contacts in the countries/regions, and regular collaboration with retained subregional or local consultants or NGOs for the follow-up of specific projects or country programmes. IFAD also collaborates increasingly with local resource groups for specific tasks such as project evaluation and has some experience in setting up such resource groups on a permanent basis, for example to support project implementation or knowledge sharing. In some countries, IFAD has encouraged ongoing projects to establish administrative liaison offices to facilitate implementation. This is particularly opportune in cases where projects are located away from the capital and project managers/coordinators can be requested to act as a link to government or provide up-to-date country information. There are, furthermore, selected instances where IFAD maintains a small office together with another agency and one case of locating an out-posted IFAD staff member in a regional CI office. Occasionally, additional support to projects and other partners, including governments, is provided through (sub)regional programmes for training, capacity-building, networking and regular technical support.

9.   Generally, IFAD has been showing a greater interest in closer physical involvement with countries and projects than was originally the case. As discussed above, it has done so through enhancing collaboration with locally recruited staff in developing countries. Similarly to other agencies, IFAD has launched initiatives in the area of 'telepresence' in order to complement its existing links with stakeholders and facilitate knowledge exchange and learning.

10.   The costs of such physical and virtual links vary widely, reflecting *inter alia* the relative scarcity of human resources and communication infrastructure in the different regions. Annual expenditure may range from as little as USD 2 000 for the part-time services of a local consultant working in a specific country, to over USD 300 000 for a (sub)regional programme covering several countries. Staff missions (at an average daily cost of USD 750 including travel, salary and per diem) are a comparatively expensive but highly effective tool. Missions undertaken by international consultants are slightly less costly while local consultants not only receive lower average fees but also

have fewer requirements related to travel and per diem. At present, IFAD certainly incurs minimum costs in its efforts to link up with its borrowing member countries, when compared to agencies maintaining permanent representations. For example, the Food and Agriculture Organization of the United Nations (FAO) calculates an annual cost of USD 450 000-500 000 for a country office while the International Development Research Centre (IDRC) spends about USD 1 million annually on each of its regional offices. Out-posting international headquarters staff can at best be done at equal cost, though it will more likely lead to a cost increase. IDRC calculates a doubling in expenditure for a headquarters staff member out-posted to a regional office, while estimates for a year-long overseas position in a bilateral office average USD 340 000 and can rise to USD 600 000 for new positions.

11.   IFAD has financed its regional and country links using a range of sources, from loans and grants to supervision and project design budgets. External sources such as cofinancers, governments and implementing agencies have also contributed to covering the costs of maintaining effective links with stakeholders.

12.   In comparison with other agencies, IFAD's present approach has advantages and disadvantages in relation to its overall objective of enhancing the impact of its activities on the social and economic situation of the rural poor. Experience has shown that permanent physical donor presence can increase short-term impact as it permits close follow-up on project implementation; however, related successes tend to be short-lived. Instead, more sustainable impact can be achieved by allocating to the target group maximum responsibility for project design and implementation and entrusting project support activities to local human and institutional resources, as has been IFAD's approach. This is also true of knowledge management functions, as long as effective knowledge flows are also maintained between IFAD headquarters and the relevant countries. Success in the areas of policy dialogue and partnership building is clearly enhanced by regular field presence, particularly in view of the increasing responsibilities allocated by other donors to their field offices (see para 7), not least with regard to the authority to commit resources.

IV. CRITERIA FOR FUTURE ACTION

13.   IFAD has gained valuable experience in testing various tools to strengthen the links between headquarters and the field by working with virtual support networks and observing the practices of its partner agencies. In order to attain a better global impact on rural poverty alleviation, the Fund now needs to select the most appropriate of these tools and apply them in a concerted strategic manner, identifying an effective combination for each country in which it operates. In assessing the adequacy of different options, several criteria need to be applied, and trade-offs and necessary preconditions kept in mind.

14.   Like its partner agencies, IFAD is committed to contributing to the attainment of the Millennium Development Goals aimed at halving poverty by the year 2015. It will do so in line with its mission of "Enabling the rural poor to overcome their poverty", through "developing and strengthening the organizations of the poor to confront the issues they define as critical; increasing access to knowledge so that poor people can grasp opportunities and overcome obstacles; expanding the influence that the poor exert over public policy and institutions; and enhancing their bargaining power in the market place".[5] In this way, IFAD aims to help the rural poor to help themselves. An important criterion in selecting options for enhanced field presence will therefore be the extent to which they help to strengthen the capabilities, institutions and infrastructure available to the rural poor. Options leading to external sources replacing local ones in project design and implementation will not be given preference as they do not satisfy the important criterion of sustainability.

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[5]   Strategic Framework for IFAD 2002-2006.

15.   Clearly, options will be evaluated in the light of their purpose and different solutions formulated to address IFAD's specific needs. Addressing such needs as improving project implementation, influencing the policy environment, collecting indigenous knowledge, identifying innovations and maintaining contacts with governments and donors will enhance IFAD's impact on the social and economic well-being of its target group. Similarly, considerations of cost-effectiveness need to be balanced with expected results. For instance, low-cost solutions will be chosen where appropriate (e.g. a local consultant following up on administrative matters); however, certain situations may call for more costly solutions (e.g. a short high-level mission to negotiate crucial policy matters). Options need to be assessed in relation to prevailing local conditions such as the availability of qualified manpower, transport facilities, the age, size and importance of IFAD's portfolio, the institutional framework, relations with the government and donor community and the general social and economic environment.

16.   IFAD's review of appropriate field presence strengthening tools can also benefit from proposals for future action made by staff and consultants. According to interviews and an opinion survey, it is felt that IFAD should adopt different options for different situations and rely to the maximum extent on local resources (staff, consultants, local service companies, government focal points, etc.). More time should be made available to staff for country missions (design, supervision, workshops, etc.). The experience with direct supervision – another possible means of strengthening country contacts – will be evaluated later this year. Greater staff mobility and the organization of official meetings outside Rome have also been proposed as ways of enhancing IFAD's presence in borrowing member states. Only a very small minority of staff consulted suggested the establishment of permanent regional or country offices.

17.   Irrespective of the options adopted, certain preconditions need to be met for IFAD's field presence to be strengthened. In particular, any individuals delegated to represent IFAD outside headquarters must have their responsibilities clearly set out in a terms of reference (for a staff member or consultant), in the instructions included in CI agreements or in the mandate given to networks, focal points or local offices. Furthermore, effective participation in policy dialogue (with governments and other donors) relies on the existence of corporate policies, while implementation support and supervision activities need to be based *inter alia* on clear guidelines in areas such as procurement and disbursement. The availability of appropriate tools (e.g. e-networks) and incentives for knowledge management activities is essential for an adequate flow of information among projects, countries, partners and headquarters. This need is further underlined by IFAD's role as promoter of replicable innovations in rural poverty reduction.

V. PROPOSED ACTION

18.   The following table summarizes the options that best meet the criteria identified above, while also drawing on the experience of IFAD and its partners. The table matches each option with the objective it serves most effectively. All objectives are however clearly interrelated as they share the overall goal of attaining IFAD's vision of enabling the rural poor to overcome their poverty. The actual selection of options, both generally and in specific countries, depends on prevailing corporate priorities, for example which role should be allocated to tools like policy dialogue in enhancing IFAD's impact on the rural poor.

Options and Purposes[6]

Purpose Option	Enhanced Impact: Design	Enhanced Impact: Implementation	Enhanced impact: Evaluation	Knowledge Management[7]	Policy Dialogue	Partnership- Building
Staff mission	X	X	X	X	X	X
Staff mobility		X				
Consultant mission	X	X	X		X	X
CI mission		X				X
Local consultant	X	X			X	X
Local resource group	X	X	X	X		
Project coordinators		X		X	X	X
Project liaison office		X				
Joint office With another agency					X	X
(Sub)regional network		X		X		
E-network	X	X		X		

19.   Although missions, workshops and meetings will remain IFAD's only direct presence in the field, efforts will be made to organize these events more strategically. This could be achieved by promoting the participation of IFAD management at policy workshops, supporting the knowledge-gathering and sharing role of consultants and maximizing the time spent by staff with target groups. IFAD will also enhance staff familiarity with field conditions by promoting staff mobility through secondment and rotation with CI staff. It will also increase the effectiveness of consultants' work and CI staff missions through training and sensitization activities.

20.   IFAD proposes to move towards more focused and consolidated work practices with local consultants and resource groups, liaison offices and regional networks. The choice of tools and partners will be aligned with the respective country strategy and IFAD's corporate priorities at a given time. The qualifications required of local consultants or resource groups will vary according to the needs of the particular situation, which range from expediting project implementation to launching a crucial policy dialogue. Experienced coordinators/managers of IFAD's investment projects can be allocated more effectively, a departure from their previously more limited role of maintaining IFAD links with partner agencies. Electronic networks within countries and regions will be promoted to complement physical links, and facilitate their functioning. Resources, both in terms of time and finance, will be made available to country portfolio managers (CPMs) to allow them to prepare a coherent proposal for each country and subsequently set up and maintain the agreed field presence mechanisms.

21.   A more effective and consolidated approach to enhancing IFAD's presence in developing member states also requires a number of accompanying corporate measures. IFAD will therefore ensure that clear policy guidelines are in place, reflecting the institution's position in all priority areas identified in the Strategic Framework. Training programmes will be promoted to enhance staff capacity in areas such as policy dialogue. Implementation of such tools also requires adequate human resources (HR) policies and procedures that promote staff secondment and rotation with CI staff. In order to facilitate virtual links, IFAD will establish an Extranet and ensure e-connectivity for all ongoing projects.

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[6]   See Annex II for details.

[7]   In the context of IFAD's field presence, this refers primarily to knowledge flows from and to IFAD projects/programmes, IFAD headquarters and its partners (governments, NGOs, international financial institutions (IFIs), etc.) in the countries. Details of how to strengthen IFAD's knowledge management processes are being elaborated in the Knowledge Management Strategy, which is at present under discussion in IFAD.

VI. RECOMMENDATIONS

22.   The study has shown that the practice by larger development organizations of establishing permanent country and regional representations to enhance field operations entails significant costs. The use of local and regional support mechanisms (networks, groups, individuals) to maintain a virtual field presence has led to good results in a number of countries, but has to be applied coherently in all countries. In addition, existing contact mechanisms between IFAD staff and the field should be exploited in a more focused manner to permit IFAD to attain its strategic goals and fulfil the specific requirements of the Action Plan. No country blueprint for enhancing field presence can be adopted, because of widely differing country situations, but an adequate, cost-effective mix of tools will be identified for each country. The option of locating IFAD staff in some countries is not being ruled out, however, and will be explored as the issue is considered further.

23.   The implementation at the country or regional level of the proposed action has to be supported by a number of **corporate measures**. These include:

- drafting (or, as appropriate, updating) and approval of guidelines in those main policy areas that concern IFAD's country activities and have priority in the strategic framework;
- design and implementation of a training programme for staff, consultants and CI staff to strengthen capacities in areas such as policy dialogue, IFAD procedures and public relations;
- adaptation of HR policies and procedures to facilitate and encourage secondment to CIs, coupled with rotation of CI staff;
- adoption and implementation of a policy to establish an Extranet and to ensure e-connectivity for all ongoing IFAD projects;
- allocation of in-house responsibilities for managing the field-presence mechanisms (usually through the CPM) and for monitoring the results (at institutional level); and
- adoption of a streamlined strategy for financing actions related to field presence (based on the consolidation of all country proposals) so that the functioning of support mechanisms is not impeded by a lack of readily available resources.

VII. CONCLUSION

24.   This document aims to inform Consultation members of IFAD's internal discussions and views on the issue of enhancing IFAD's field presence, and seeks endorsement of the proposed approach, and guidance in refining and implementing it. As outlined above, IFAD does not propose any radical changes to its operating rules. Instead it proposes to extend the application of relevant practices and the innovative tools discussed in the present document in a focused manner appropriate to each country's needs. A detailed proposal, including possible cost implications, will be submitted to the Executive Board in due course.

PRESENT SITUATION AND EXISTING TRENDS (PARTNER ORGANIZATIONS)

1.   The field presence of multilateral and bilateral donors, NGOs and other agencies can take various forms, ranging from large representation offices to smaller administrative and technical support structures, and from (sub)regional centres to focal points in ministries and other local institutions. Typically, staffing structures show a growing reliance on local human resources and increasing use is being made of modern means of communication. Distribution of responsibilities and rights among these field structures and their head offices varies according to the respective institution's stand on decentralization. The following provides an overview of the practices of various types of development organization.

A. Multilateral Organizations

2.   The most widely represented development organization is the **United Nations Development Programme (UNDP)**, with 132 country offices and 85% of its 5 000 staff working outside its headquarters. It is further decentralizing to make specialist functions, such as policy advice, less headquarters-driven. Its focus is on providing developing countries with knowledge-based consulting services and building national, regional and global coalitions for change. UNDP country offices are staffed with international and national personnel and headed by a resident representative with diplomatic status. An increasing share of UNDP's resources is allocated to national execution, but many of the technical assistants working on UNDP-financed projects are internationally recruited experts. The tasks of UNDP country offices range from representation to project implementation and coordination of international aid activities.

3.   The **World Bank Group** has 107 field offices, most of which are in developing countries; fewer than 60% of its staff work in headquarters. The World Bank feels that an increased presence in client countries is helping it to "better understand, work more closely with, and provide faster service to clients". Field offices serve a wide range of purposes (diplomatic representation, policy dialogue, project planning and supervision, logistics support, etc.) and are staffed by international and national experts and support personnel. Three fourths of outstanding loans are at present managed by country directors located away from the Washington headquarters.

4.   The **International Monetary Fund (IMF)** has 81 resident representations covering 89 member countries. These offices usually consist of an international resident representative and local support staff while the large majority of IMF professional and managerial staff is located in Washington. The resident representatives can have a major impact on the quality of IMF country work. Often recruited in conjunction with a reform programme, they help to enhance IMF policy advice, alert the IMF and the host country to potential policy slippages and provide on-site programme support. More recently, resident representatives have helped member countries develop their poverty-reduction strategies by taking part in country-led discussions and presenting IMF perspectives.

5.   **FAO** is among the most widely represented of the United Nations specialized agencies. It has 75 field offices (headed by a representative) and five regional, five subregional and five liaison offices. Fewer than 100 international staff (out of 1 400 professionals) are out-posted, but around 820 local staff work in the field offices. Moreover, in some countries where there is no field office, 'national correspondents' provide an FAO presence; these are senior government officials who spend 40 to 60% of their time on FAO matters and receive a remuneration from FAO in addition to their civil servant salary. The tasks of the FAO representative (FAOR) cover both normative and operational functions, with the main objective being to make FAO technical expertise more readily available to the governments of member countries. As the senior representatives of the Director-General in the field, the FAORs represent FAO at the government, national, bilateral, international and non-governmental organization level. In their countries of designation, FAORs are responsible for coordinating the use of FAO resources, alerting on emergencies affecting food and agriculture,

monitoring and reporting of FAO country activities and national developments and directing and managing the country office and related administrative services. Minimum staffing of a field office comprises an internationally recruited resident representative, a national programme officer, a (national or international) finance officer, two secretaries and a librarian. The regional and subregional offices of FAO are staffed with out-posted headquarters personnel and deal mainly with regional projects.

6.   Over the past five years, the **World Food Programme (WFP)** has progressively decentralized most of its operational functions. It now has 75% of its staff out-posted to field offices, including 70% of its junior professional officers (JPOs). Of WFP's 87 country offices, two clusters and seven regional bureaux, only the regional bureau for eastern Europe is located in Rome. The ultimate aim of the decentralization is to transform WFP into a truly field-based organization with its decision-makers as close as possible to the people it serves through its development and humanitarian missions. Most operational decisions will now be made in the field, while the Rome-based Operations Department will be responsible for managing this field structure and providing standard programme, technical, training and normative support. In addition, guidance and support is being provided to country offices and regional bureaux on monitoring and evaluation. Each regional bureau covers about 12 countries and has an average of 16 international and varying numbers of local staff. The country offices, staffed with international and national personnel, are responsible for the preparation of country strategy outlines, country programmes, protracted relief and recovery operations, emergency operations and development projects.

7.   The **United Nations Industrial Development Organization (UNIDO),** responsible for promoting industrialization throughout the developing world, can be cited as an example of a smaller United Nations specialized agency. It has 553 staff members within and 108 outside its Vienna headquarters. It maintains an active presence in the field through 35 country and regional offices, 13 investment and technology promotion offices and a number of offices related to specific aspects of its work. In some other countries, national and junior programme officers in UNDP offices are in charge of the UNIDO programme.

B. Regional Development Banks

8.   The most widely represented regional development bank is the **Inter-American Development Bank (IDB)**, which has its headquarters in Washington and offices in all its borrowing member countries. The country offices help identify new projects, supervise and manage approved loans and monitor project execution. They play a fundamental role in promoting IDB relations with host countries on a day-to-day basis, participate in all its operations and increasingly take the lead in the preparation of country papers. The average country office consists of a representative, deputy representative, financial specialists, administration officer and a number of sector specialists. Of its total staff of 1 711, 27% (including 14% of the professional staff) work in IDB country offices. IDB usually purchases office space in private buildings.

9.   The **Asian Development Bank (AsDB)** has resident missions in 14 of its 40 developing member countries, a regional mission for the South Pacific and three minor offices. The resident missions provide the primary operational interface between the AsDB and the host country through: (a) promoting relationships with government, civil society and the private sector; (b) engaging in policy dialogue and support; (c) reporting on country activities; (d) coordinating aid; and (e) assisting in external relations and information dissemination. AsDB has a staff of about 2 000 of whom fewer than 10% are stationed outside headquarters. There is a tendency to entrust more substantive tasks to the resident missions, shifting from project administration to broad strategic policy and support functions.

10.   The **African Development Bank (AfDB)** has been rather flexible in its outreach policy. Having closed its four regional and three country offices some years ago, it is now in the process of establishing 25 country/regional offices and eight national programme offices (staffed only by locally recruited employees). At present, six field offices have been established, mandated to focus on improving project implementation through administration and portfolio management activities. They are also called upon to provide support to programming and project processing. Field offices report to the directors of the headquarters-based country department concerned and consist of a minimum of one resident representative, one other staff from headquarters and at least two local professional staff (one of whom performs office administration functions).

11.   The **European Bank for Reconstruction and Development (EBRD)** has resident offices in all 26 of its developing member countries, fulfilling both representative and operational functions; the latter include marketing, country strategy, project execution and operating environment assessment. Of total EBRD staff, 21% work in resident offices (including 15% of its professional staff).

12.   The smaller, subregional banks such as the **Caribbean Development Bank (CDB)** and the **West African Development Bank (BOAD)** pursue different strategies. CDB, for instance, has no field offices or representations in its borrowing member countries and relies solely on staff travel to maintain links with governments and supervise its projects. BOAD, on the other hand, has representation offices in five of its eight member countries. They serve to: (a) make BOAD better known in its member countries; (b) assist member countries in the preparation and management of projects; (c) assist headquarter departments in project monitoring, loan administration and other in-country matters; and (d) facilitate relations between headquarters and the member country.

C. Bilateral Organizations

13.   Many countries belonging to the Organisation for Economic Co-operation and Development (OECD) support development through technical assistance and financial aid agencies. The following agencies of six of these countries (alphabetically: France, Germany, Sweden, Switzerland, the United Kingdom and the United States) are reviewed in relation to the weight and role that they allocate to field presence.

14.   The **Agence française de développement (AFD)** works in over 60 developing and transition countries and in the French overseas territories and has 45 local offices and agencies around the world; about ten of them have regional functions. Its 1 644 staff is divided into 945 general staff recruited at headquarters and 699 non-mobile staff recruited locally; altogether, 52% of AFD staff work outside headquarters. Local offices are actively involved in identifying project options and monitoring their implementation. Technical staff from head office assists them in these matters.

15.   The **German Agency for Technical Cooperation (GTZ)** has more than 12 000 employees in 126 countries in Africa, Asia, Latin America, Eastern Europe and the Commonwealth of Independent States (CIS) countries. GTZ also maintains field offices in 66 of these countries. More than 8 700 of GTZ staff are locally contracted nationals and 1 100 work in headquarters. GTZ experts and managerial personnel in its projects and local offices form the mainstay of the agency's presence in its partner countries. Local offices were originally established to provide administrative support to projects and experts in the country. Their role changed significantly when GTZ introduced a policy of decentralization in 1994 with the aim of raising the development policy effectiveness of its services. Local offices now manage most of the project resources and decision-making powers have been given to out-posted GTZ officers. The head office concentrates on policy and control functions, ensures liaison with the umbrella ministry and provides services to the country offices. A recent evaluation of this institutional decentralization revealed that GTZ development activities are now better adapted to specific country situations and that out-posted staff morale has been improved thanks to the increased decision-making power. However, the evaluation also warned of the danger of institutional learning and memory loss, increased duplication and controversy among the various layers (field, head office,

ministry) and a work overload for out-posted staff. Also German, the **Kreditanstalt für Wiederaufbau (KfW)** covers 59 countries and has offices in 17 of them, usually sharing facilities with GTZ.

16.   The **Swiss Agency for Development and Cooperation (SDC)** focuses its activities on 17 priority countries and four special programmes in Africa, Asia and Latin America and on ten priority countries in eastern Europe and the former Soviet Union. Of its total staff of 400, around 300 work in the head office and 100 abroad. In addition, SDC employs about 600 local (including support) staff in country liaison offices and on bilateral projects.

17.   The **Swedish International Development Agency (SIDA)**, like the government development agencies of a number of other countries, has its overseas staff placed at embassies and consulates in those partner countries with extensive programmes; the ratio of headquarters to overseas staff is 6:1.

18.   The **Department for International Development (DFID)** of the United Kingdom applies a mixed system; in addition to its London headquarters, it has offices in nine countries and works through staff based in British embassies and high commissions. Staff working in the United Kingdom totals 1 278, with a further 180 overseas. In addition, around 850 locally employed people work for DFID in the field, illustrating the department's policy of increasing nationalization of country offices.

19.   The **United States Agency for International Development (USAID)** has a widespread overseas structure consisting of 84 country offices, regional centres and field offices of the Inspector General. USAID programmes range from minor programmes with a single focus to major programmes with multiple types of assistance within several sectors. Responsibility for establishing and achieving strategic objectives lies with the organization, while the country missions supply essential services such as programme development, problem analysis, project design, programme/budget documentation, implementation monitoring, financial management and administrative/logistical support. In all, 1 825 staff work in headquarters, 5 931 overseas.

D. Non-Governmental and Other Organizations

20.   Large numbers of other organizations such as international NGOs and research institutions need to address similar issues to those faced by multilateral and bilateral development organizations in their efforts to ensure close contacts with their target populations while maintaining effective roots in their country or region of origin. By way of example, three such institutions are discussed here, namely the Co-operative for Assistance and Relief Everywhere (CARE), the Oxford Committee for Famine Relief (OXFAM) and IDRC.

21.   **CARE International** is a confederation of ten agencies delivering relief assistance to people in need and long-term solutions to global poverty. The ten CARE agencies together cover over 60 countries and there is a CARE office in each of the developing countries where CARE operates.

22.   **OXFAM International** is a confederation of 12 NGOs working in nearly 100 countries. OXFAM has a programme staff of 2 000 and works with many different local organizations. While member organizations have their own programmes, they all embrace a common strategy based on a shared commitment to promote the advancement of fundamental economic and social rights. In certain cases and for specific countries, member NGOs hire international field representative/coordinators for such tasks as identifying, monitoring and coordinating field programmes, maintaining links between headquarters and project staff and supplying information to headquarters.

23.   **IDRC** is mentioned here because it is of comparable size (360 staff) to IFAD, its projects are implemented by local research institutions rather than by its own staff and it puts strong emphasis on partnership-building (staff receive specific training in this area). IDRC headquarters is located in

Ottawa and it has six regional centres and no country representations. Due mainly to cost considerations, IDRC does not plan to increase its direct regional presence. However, it is experimenting with other options, such as placing staff members in national institutions. The regional centres consist of a regional director, a financial director, project officers and research assistants. The main functions of the centres are partnership-building, intelligence gathering, project supervision, providing institutional visibility, ensuring effective use of research results and increasing institutional knowledge.

E. General Features and Trends

24.   **Telepresence.** Most development organizations now share an increased reliance on modern information and communication methods. Most have their own corporate web site and many also have links to member organizations, country offices and specific sectors. Extranets are being put in place to widen access to internal data and records. Numerous networks, portals and databases are available for posting and retrieving information on a global basis, while governments and local agencies provide country-related data and information on the Internet. Most country and regional offices have e-mail and Internet access, although the quality depends on country infrastructure. Such technical constraints are now being addressed by an inter-agency effort by UNDP, FAO and some other agencies, launched to establish worldwide connectivity for country offices. WFP has even set up an "enhanced telecommunications network" (ETnet) to compensate, where needed, for the absence of local service providers. AsDB calls for increased investments in communications and information technology (infrastructure and staff) to enhance the effectiveness of country offices while IDB even considers telepresence a feasible alternative to physical field presence for delivering advice and assistance to countries. IDRC provides a further example of the growing reliance on modern IT with its plans to rationalize the gathering of regional intelligence through the enhanced use of electronic communications. Video conferencing must also be mentioned as a comparatively new means of communication that is being increasingly used to bridge the physical gap between field and headquarters, and also within and between countries. The World Bank is a strong proponent of this practice.

OPTIONS FOR STRENGTHENING LINKS WITH THE FIELD

1.   This section discusses options that have been identified for strengthening links with the field and makes recommendations on how to increase their usefulness and effectiveness.

2.   **Staff missions**. IFAD staff missions are the most direct and widely applicable means of linking IFAD to its target group and to other stakeholders in the field. However, as a comparatively expensive tool, IFAD missions must be used in a strategic manner. This implies allocating the most appropriate person to the specific task, ensuring the availability of adequate resources and providing clear terms of reference. Appropriate timing and thorough preparation of missions also enhance their usefulness. However effectively they were planned and used in the past, such arrangements must now be re-examined if IFAD missions are to fulfil additional strategic objectives in the future, such as policy dialogue and knowledge management.

3.   What does this imply in practice? The following examples illustrate how the usefulness of staff missions as a tool to strengthen IFAD's field presence can be enhanced.

- Country visits by **management** are an important means of raising IFAD's profile in the field, as they usually entail meetings with the head of state and high-level government officials, in addition to other events such as press conferences and public loan-signing ceremonies. In the future, additional emphasis should be placed on harmonizing the timing of such missions with crucial stages of policy dialogue in a given country. Similarly, more missions should be organized, with participation by IFAD management, to hold significant events like the presentation of a country strategic opportunities paper (COSOP) within the country concerned.

- **Legal advisers** visit countries as members of loan negotiation teams and, occasionally, in connection with project design missions. In certain cases, they have further benefited from their stay by gathering information on the country's legal framework. This latter practice should be standardized (and additional time allocated) with a view to establishing a legal database covering all developing member states.

- **CPMs** usually perform a number of tasks during country visits. Although the emphasis is on project design or project implementation, matters such as policy dialogue and partnership building are included whenever needed and feasible. Future arrangements should aim at rationalizing CPMs' participation in these latter processes, strengthening their capabilities in these fields and allocating adequate time to them.

- **Technical advisers and loan officers** undertake missions for different purposes, within the limits posed by the availability of manpower and financial resources. In order to make optimum use of these scarce resources and increase the positive impact of such missions, they could focus, over a given period, on a specific corporate objective, e.g. improved project implementation.

- Since IFAD's re-engineering exercise in 1994, **General Service (GS) staff members** (e.g. programme assistants) have increasingly participated in country missions, for instance by assisting in workshop organization and visiting projects. This is generally considered a very useful innovation, although it has not yet been formally evaluated. In the future, it should be ensured in such cases that GS staff resources are not used to replace local staff but rather to lighten the workload of supervising professional staff. This would enable professional staff to allocate more time to activities like partnership-building and policy

dialogue while in the country. To encourage this process, local staff could be trained and assisted, for example by familiarizing them with IFAD internal systems such as the Loan and Grant System (LGS) and the Project and Portfolio Management System (PPMS).

Clearly, the occasional *ad hoc* mission will always be necessary for trouble shooting or in response to emergencies. However, the strategic planning of missions (combined with other tools) would not only permit optimum use of limited time and resources, but also help meet the new requirements related to the strategic framework and the action plan. Above all, such planning could directly contribute to increasing the positive **impact** of IFAD's activities on the well-being of poor rural populations.

4.   **Staff mobility.** IFAD's limited experience in staff out-posting has shown that this is not an effective way of increasing field impact while maintaining links with headquarters and contributing to its work. However, inadequate experience of project reality and lack of contact with borrowing countries can be limiting factors in staff performance and project impact. The following two options could be envisaged to overcome these constraints:

- **Associate professional officers (APOs).** As of March 2002, APOs make up 11% of IFAD's professional staff. APOs contribute actively to IFAD's operations, but usually have limited field experience or none at all. IFAD might consider employing APOs in headquarters for the first half (12-18 months) of their assignment where they would familiarize themselves with IFAD's approach and procedures. They could then be seconded to cooperating institutions (preferably regional organizations or CIs with regional offices) for the remainder. During the second half of their assignment, APOs could promote IFAD's image in the region, while gaining country and supervision experience through working with CI staff supervising IFAD projects.

- **Cooperating institution staff.** Experience has shown that those CI staff members who had worked in IFAD prior to joining a CI were most effective in supervising IFAD projects and promoting IFAD's image and approach. Few IFAD employees, however, have shown interest in leaving IFAD headquarters and joining a CI on a permanent basis. IFAD should, therefore, envisage setting up exchange programmes with its CIs, whereby IFAD staff members are seconded for a period of one to three years and replaced by a CI staff member with appropriate qualifications for the same period.

5.   **Consultant missions.** IFAD has always relied heavily on international consultants in areas such as project design, follow-up, evaluation and strategic studies. A number of these consultants who have been working regularly for IFAD for many years are very familiar with the institution and frequently replace staff members. In the field, these consultants are considered IFAD representatives and, due to their regular presence, are often the main link between headquarters and a particular country. They frequently take part in policy discussions and partnership relations and their views are taken as official IFAD policy. This has permitted some continuity in IFAD's field presence despite the limited time that IFAD staff can allocate to country visits. While expensive, the use of international consultants has proved an effective tool in enhancing links in the field. However, this resource could be tapped even more effectively. For example, apart from the usual pre-mission preparation and briefing by the recruiting unit, consultants could be provided with guidance on corporate policies, briefing on institutional partnership arrangements and training on internal project-related systems. In addition, more emphasis is needed on retaining the knowledge gained by consultants during their IFAD missions: debriefing procedures need to be strengthened; consultants should be encouraged to prepare knowledge notes in addition to their routine back-to-office reports. Consultants should also be included as resource persons for project development teams (PDTs) and thematic groups, and as members of the communities of practice launched by IFAD. Special briefing sessions could be organized to cater for new types of assignments that in many cases will be undertaken by a consultant, for example IFAD's active participation in PRSP. It would be useful to identify a group of experienced consultants for this task who could provide workshop discussions on

appropriate IFAD input, which policy position should be maintained and what the intended outcome should be (similar to current practices in the context of the sustainable livelihood approach).

6.   **CI missions.** As IFAD's agents for the supervision of all but 15 projects, CIs should play a crucial role in linking IFAD to its borrowing countries, enhancing project impact through improved implementation, supporting IFAD's mandate and contributing to knowledge management and partnership activities. In reality, this is not always the case. For one thing, CIs tend to identify with their own institution before IFAD, and indeed may not always be fully aware of IFAD's requirements. While some IFAD staff and consultants feel that direct supervision would solve many problems, CIs nonetheless represent a potential field presence tool, if used more effectively. Clearer instructions are needed in the letter of appointment on what IFAD actually expects from its agent and on the basic principles of the supervision activities (in the form of basic IFAD documents, policy guidance, partnership arrangements, etc.). CI staff and consultants should be kept updated in these areas in the same way as regular IFAD staff and consultants. Furthermore, particularly in the case of cofinanced projects, CI staff members are often unaware of their role as agent for IFAD and act solely as representatives of their own institution. Rather than enhancing IFAD's image in the field, this tendency frequently leads to confusion. Time and resources spent on occasional induction workshops for CI staff could improve this aspect of IFAD's indirect field presence. However, it should be kept in mind that adding responsibilities and tasks to the standard CI workload implies an increase in the budget allocated to them.

7.   **Local consultants.** Experience with local consultants has generally been good and the average costs are low compared to those of staff and international consultants. Working with local consultants can also be an effective way of enhancing local capacities. It is, however, important to identify clearly the purpose for which a local consultant is needed and match the qualifications accordingly. For instance, a former high-level government official may be ideal for follow-up on IFAD's partnership relations or policy dialogue preparation, while a different profile is needed for follow-up on supervision of mission recommendations or the collection of background information for a design mission. Contract types for local consultants vary and may range from a simple short-term contract for a specific task to long-term or retainer contracts. For cases such as continuing technical support to project implementation, IFAD may prefer to enter into an agreement with a local consultancy firm or an NGO. The identification and recruitment of local consultants will usually be the task of the CPM; however, other IFAD units may be involved for specific purposes. For example, the Office of the General Counsel (OL) may recruit a local lawyer for project research or support, the External Affairs Department (EAD) may need a local journalist to cover a specific event, or the Technical Advisory Division may need experts in connection with a technical assistance grant programme. In the past, the recruitment of local consultants has occurred very much on an *ad hoc* basis and only recently have guidelines on contract arrangements (Human Resources Handbook (HRH), Chapter XI, Section 03) been issued. Similar standards on fees and other benefits, allowing for varying country situations, would also be useful. To avoid duplication or confusion, the CPM should be regularly informed about local consultants recruited by other IFAD units in a given country. Also important to the effectiveness of local consultants are practices such as in-depth briefing on IFAD's approach and procedures. It is crucial that the recruiting officers, particularly in the case of longer term arrangements, maintain close regular links with local consultants, through telephone, e-contacts and country visits. Under these conditions, local consultants can play an important role in supporting project implementation, preparing and facilitating missions, and providing information, thus enhancing IFAD's field performance while reducing the workload of headquarter staff.

8.   **Local resource group.** Several IFAD units have already gained experience in establishing groups of resource persons, experts and focal points at the country or (sub)regional level. The Core Learning Partnership (CLP) and the In-Country Design Team are two such examples. Proposals have been put forward by the internal Process Re-Engineering Programme (PRP) working groups to consolidate and widen the application of this tool, in particular for project development and implementation, knowledge management and partnership-building. As with individual local

consultants, country group members need to be selected carefully on the basis of the purpose of the group; members can range from IFAD project staff to government officials, NGO representatives and academics. A group linked to the implementation of a specific project (the proposed PDT could comprise for instance focal points from key ministries, technical experts and experienced staff from older projects, joined by correspondence and during missions by staff from the CI and IFAD headquarters). A group of academics, government officials and NGO representatives could be formed to act as a support team for knowledge management and policy dialogue. The purpose of such groups would dictate their administrative and financial arrangements as well as their duration: the CLP is established for the duration of an evaluation exercise, while a group charged with supporting an ongoing project would work throughout the implementation period. Often, however, such a group could support several or all IFAD projects in a given country and be less limited in time. Such a portfolio approach to PDT should be promoted as it is not only more efficient, but also reflects the "country portfolio approach to supervision" called for by the Programme Management Department (PMD). General support groups, such as a knowledge-management network, could be established on a continuing basis.

9.   An analysis of experiences and proposals regarding local resource groups has led to the conclusion that innovative and flexible approaches should be applied in setting up such groups. Group members could be volunteers or on retained or author's contracts; alternatively they could already be working for IFAD in another function, perhaps as project manager. In some cases they could receive a reimbursement of costs or a daily subsistence allowance (DSA) for special assignments (e.g. government officials). Frequently, group work will be of a virtual nature, exploiting modern communication tools to the maximum. IFAD could facilitate this by assisting group members in establishing connectivity (hardware and software). Local groups and networks are an efficient tool for enhancing IFAD's country links, but they require significant management input from headquarters. CPMs, in particular, need to play a crucial role in identifying group/network members, establishing their terms of reference and the conditions of group membership, following up on their activities, providing links among them and avoiding duplication of efforts. They should be given time and resources for this. However, once fully established, groups and networks will certainly reduce the overall workload of headquarters staff and provide useful support to missions and other in-country events (workshops, etc.).

10.   **Project coordinators/managers.** IFAD's investment projects are its main links to the target group and to its countries of operation in general. The managers of these projects can therefore play a key role in enhancing the Fund's field presence. Project coordinators/managers are extremely knowledgeable about local conditions and events, highly respected at the headquarters and local level and bear the main responsibility for the implementation and impact of IFAD projects and programmes. In selected instances, they represent IFAD at country-level donor meetings, act as implementation advisers for other IFAD projects and assist in preparing for policy discussions with governments. IFAD could further benefit from their capacities by including them in the local resource groups discussed above and by proactively grooming them as IFAD representatives. This could be done by enhancing their knowledge of IFAD's policies, strategies and procedures (e.g. through special workshops) and reinforcing their 'corporate identity' (e.g. by inviting them to IFAD to meet the staff and give presentations at governing body meetings).

11.   **Project liaison office.** Permanent links in the form of an administrative liaison office at the country level for ongoing IFAD projects have proved in several cases to be a useful tool in facilitating project implementation and linking dispersed projects to stakeholders in the capital (government, suppliers etc.) and to IFAD. Preferably established directly by the project, such an office should be small (staffed by one administrator and one support employee) and not be overloaded with tasks unrelated to project implementation, such as diplomatic functions related to IFAD representation. Financing for a liaison office should be included in the project budgets. It would be IFAD's task to maintain effective links with the office via e-mail and access to internal systems and keep it updated in areas such as administrative procedures. The main purpose of an administrative liaison office is to

facilitate project implementation. In addition, it could be used as a contact point between local resource groups/networks and IFAD.

12. **Joint offices with other agencies.** In selected cases, IFAD has pooled resources with other donor agencies represented in a given country, for example by sharing the costs and services of a contact person or by using the office facilities of another agency. While some positive experiences have been registered, it has been noticed that such shared facilities do not enhance IFAD visibility and that priority is often given to the interests of the agency represented in the country. These drawbacks have also been observed by other donor agencies and international NGOs linking up with local organizations. Such joint arrangements should therefore be limited to situations where partnership is a special priority within IFAD's country programme and where IFAD's interests and approaches are shared by the partner agency.

13. **(Sub)regional networks.** The Latin America and the Caribbean Division (PL) has exploited this tool with particular success and other divisions are in the process of launching regional support structures. Regional networks supporting projects and country programmes have the advantage of economies of scale and benefit from wider knowledge exchange and an increased choice of resource persons. Their costs are, however, not considerable and no experience exists in turning them into self-financing organizations. These are important factors when considering them as an option for strengthening IFAD's field presence. Other aspects such as the availability of regional experts to staff or collaborate with the networks and the status of the communications infrastructure in the region must also be taken into account.

14. **E-networks.** These can either be used as independent tools for knowledge management (e.g. Programme of Electronic Networking for Rural Asia/Pacific (ENRAP) Projects or as support for other field presence mechanisms such as local or regional resource groups. IFAD has gathered valuable experience in launching and supporting such networks in several regions, connecting projects with each other and with other stakeholders. **IFAD's medium-term objective is to connect all its projects to e-mail and Internet and give them access to selected IFAD internal systems (Extranet).** This would strengthen IFAD's virtual presence in all borrowing countries, facilitate direct support to project implementation and promote a community spirit that would enhance IFAD's image and visibility through its projects. Most of the costs related to such a network will be borne by the project budgets; IFAD will supply the services of network moderation and make regular knowledge management inputs. IFAD's effective contribution to these e-networks is heavily dependent on the streamlining of IFAD's internal systems foreseen under the Strategic Change Programme (SCP). However, the need to standardize project software used for information gathering and dissemination also needs to be addressed.