



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Consultation on the Sixth Replenishment of IFAD's Resources – Fourth Session
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OPTIONS FOR ENHANCING IFAD'S FIELD PRESENCE

1. In discussing the report of the External Review of the Results and Impact of IFAD Operations¹ during the Third Session of the Consultation, members agreed that the issue of field presence needs to be further elaborated into concrete actions to be discussed within the replenishment framework. The Secretariat was requested to prepare concrete options on field presence, including costing of the various options, for discussion during a seminar to be held prior to the Fourth Session of the Consultation. The present document integrates salient parts of document REPL.VI/3/R.6² and provides the requested additional information.

I. BACKGROUND

2. 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 ...”³ Moreover, IFAD's *Lending Policies and Criteria* specified small and landless farmers as the Fund's major target group.

3. 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. As to its implementation, the founding members had ruled that it would be entrusted, to a significant extent, to other agencies as follows:

¹ Document REPL.VI/3/R.2.

² Enhancing IFAD's Field Presence, submitted to the Third Session of the Consultation, but not discussed during the session.

³ *Agreement Establishing IFAD*, Article 2



“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”.⁴

4. Experience has shown that in order to comply with its specific mandate to assist poor rural producers as stipulated in the above-mentioned documents, IFAD should be closely involved at all stages of the project cycle. Supported by its governing bodies, the Fund has, therefore, increasingly taken over the responsibility of project design and participated to the extent possible in the supervision activities of cooperating institutions (CIs). It has, moreover, obtained from its governing bodies the authority to supervise 15 projects directly on a pilot basis. In addition, IFAD is interested in the evolving approaches of other donors, characterized by greater attention to sector support, increasing decentralization and emphasis on national ownership, in particular of the poverty-reduction strategy (PRS) process. In some countries it has participated⁵ directly in this process and has promoted partnership in others through a longer-term collaboration with donors in order to harmonize policies and approaches related to rural development⁶. IFAD has been able to play an important role in influencing policies at the country level by strengthening the capacity of local institutions to engage in national policy dialogue and by raising policy issues during the project cycle (country strategic opportunities paper (COSOP), formulation, and loan negotiations, for example in relation to land tenure and natural resource management issues in China, India, Mauritania; rural finance in Ghana) and during review processes (mid-term reviews and country portfolio evaluations, e.g. Syria). However, according to the External Review report more needs to be done: “... field visits ... suggested that an in-country presence would be needed for closer policy dialogue and partnership than is now possible with a broader range of public and private agents involved in rural poverty reduction... The ERT [External Review Team] believes that such a country presence, on a selective basis, merits the Fund’s careful further consideration.”⁷

5. Contrary to most bilateral and multilateral development agencies, however, IFAD does not have field offices in borrowing Member States but manages all its activities from headquarters⁸. In doing so, it has relied extensively on frequent staff travel, CIs, consultants and local partners. In recent years, IFAD, like other agencies, has increasingly emphasized strengthening its catalytic role through partnership building and policy dialogue. In particular, it has intensified its implementation support to further enhance and monitor the direct impact of its operations on the socio-economic situation of its target group, the rural poor. This reorientation has drawn attention to certain constraints related to headquarters-based operations and has led to calls from partners and staff to identify options for enhancing the institution’s presence in the field⁹ in a practical, cost-effective manner.¹⁰

⁴ *Lending Policies and Criteria*, chapter V, paragraph 43.

⁵ Albania, Armenia, Burundi, Mongolia, the Republic of Moldova, Rwanda, Yemen.

⁶ E.g. Ghana, Mozambique, Nepal, Nigeria, Viet Nam.

⁷ Op. cit. document REPL.VI/3/R.2.

⁸ Except for one country portfolio manager (CPM) outposted to a regional CI office since 1994.

⁹ IFAD has been interpreting the term ‘field presence’ as covering “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 partners in the field (projects, governments, donors, non-governmental organizations (NGOs), research institutions, public- and private- sector agencies, etc.)” (document REPL.VI/3/R.6).

¹⁰ Please refer to document REPL.VI/3/R.6 for a review of donor practices and tools available to IFAD to enhance its field presence.



6. In response to the new demands, IFAD has been pilot testing a number of indirect and proxy links with borrowing Member States, including collaboration with informal focal points, NGOs and local resource groups; establishment of administrative project liaison offices; participation in the local office of another agency; and promotion of electronic contacts and networks. In addition, IFAD has tried to enhance the effectiveness of traditional tools, in particular missions by staff, CIs and consultants and national and regional workshops. The costs of such physical and virtual links vary widely, reflecting, *inter alia*, the relative scarcity of human resources and communications infrastructure in the different regions. Annual cost of such tools has ranged from as little as USD 2 000 for the part-time services of a local consultant in a specific country to over USD 300 000 for a (sub)regional programme covering several countries (such as the Regional Unit for Technical Assistance (RUTA) in Latin America and the Caribbean). 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. 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 cofinanciers, governments and implementing agencies have also contributed to covering the costs of maintaining effective links with stakeholders.

7. IFAD management proposes to draw on lessons learned from past experience and from observing the field-presence arrangements of other agencies and to select the most suitable options for enhancing its presence systematically. In addition to intensifying the use of traditional tools throughout the regions, it would also be open to introducing new instruments on a selective basis in response to specific country or regional requirements. In addition to promoting **the core objective of enhancing impact through improved project implementation**, such a move should also serve the related purposes of **policy dialogue, partnership-building and knowledge generation and sharing** in a general environment of progressive decentralization of donor activities.

II. PRIORITY PURPOSES AND OPTIONS

8. In assessing options to enhance its field presence, IFAD is taking into consideration a number of key **criteria**, keeping in mind that there can be no blueprint approach in view of the differences among countries and regions. Above all, options have to be evaluated in relation to the main **purpose** they should serve. In the past, the need to better support **project implementation** and thus to strengthen IFAD's **impact** in the field was already the foremost reason for establishing a (proxy-) presence in selected countries. As explained in paragraph 6, traditional tools such as short-term missions by IFAD staff, international consultants and CIs were complemented by local resources, including local consultants, joint project offices and local resource groups. Such initiatives have led to good results in relation to project implementation and administration. They have, however, been less useful in enhancing IFAD **policy dialogue** with governments. While in some cases a high-level local consultant or an experienced project manager can participate in policy-related discussions and represent IFAD's point of view, as a rule an effective advocacy role at the policy level can only be played by an IFAD staff member recognized as the official representative of the institution. The same goes for in-country **partnership-building**, which in most borrowing countries is an ongoing activity that enhances donor complementarity, cofinancing and harmonization of approaches, and in which the absence of IFAD staff for most of the year has been identified as a serious constraint. In particular the growing tendency of many donors to decentralize decision-making underlines the need for IFAD to provide a more permanent presence. For both – policy dialogue and partnership-building – IFAD has made increasing use of the traditional instruments at its disposal (in particular staff missions, but also the use of international consultants having extensive experience with IFAD) and attempted to cover the periods between missions by using local consultants on a short-term basis for these purposes. However, with the increasing involvement of donors at the country level and in the policy arena, IFAD will need to envisage a more active and continuing presence in certain countries.



9. The use of physical tools should be increasingly enhanced by virtual links (including regional and country-based networks) and the use of modern information and communications technology. In this area, IFAD has undertaken a number of successful pilot activities, including regional electronic knowledge networks (e.g. the Electronic Networking for Rural Asia/Pacific (ENRAP), FIDAMERICA), videoconferencing, etc.

10. As already mentioned, IFAD has been using regular and supplementary budget lines to finance various costs of the pilot activities related to enhanced field presence. Financial considerations will also be taken into consideration in the future in selecting tools for application in a specific country. The basic costs of the main tools that IFAD will continue to use are included in the description of these tools provided in the next section. The possibility of setting up permanent liaison offices has also been examined and the respective assessment of the cost implications is provided in section IV.

III. MAIN TRADITIONAL TOOLS FOR ENHANCING FIELD PRESENCE

11. **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 shown below, they are a comparatively expensive tool and therefore must be used strategically. This implies allocating the most appropriate person for a specific task, ensuring the availability of adequate resources and providing clear terms of reference (TOR). 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, knowledge-sharing and partnership-building.

*Average cost per mission day, including salary, travel and daily subsistence allowance (DSA):
USD 750*

12. **International consultant.** 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 have been working regularly with IFAD for many years and are very familiar with the institution and its approaches. 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.

Average cost per mission day, including fees, travel and DSA: USD 600

13. **Local consultant.** 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 to enhance local capacities. It is, however, important to identify clearly the purpose for which a local consultant is needed and match the qualifications accordingly. 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 may recruit a local lawyer for project research or support, the External Affairs Department 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. To avoid duplication or confusion, the CPM should be regularly informed of local consultants recruited by other IFAD units in the country. Practices such as in-depth briefings on IFAD's approach and procedures are also important to the effectiveness of local consultants. It is crucial that the recruiting officers, particularly in the case of longer-term arrangements, maintain close regular links with local consultants through telephone and 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 headquarters staff.

Average fee per day of a local consultant (all regions): USD 184

14. **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. 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. For instance, a group linked to the implementation of a specific project (the proposed project development and implementation team (PDIT) can comprise focal points from key ministries, technical experts and experienced staff from older projects, joined through correspondence, and, during missions, by staff from the CI and from IFAD headquarters). A group of academics, government officials and NGO representatives can be formed to act as a support team for knowledge management and policy dialogue. The purpose of such groups dictates 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 works throughout the implementation period. Often, however, such a group could support several or all IFAD projects in a country and be less limited in time. Such a portfolio approach to PDIT is not only more efficient, but also reflects the "country portfolio approach to supervision" called for by the Programme Management Department. General support groups, such as knowledge-sharing networks, could be established on a continuing basis.

15. An analysis of experience 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 contracts; alternatively, they could already be working for IFAD in another function, perhaps as a project manager. In some cases they could receive a reimbursement of costs or DSA for special assignments (e.g. government officials). Group work will be supported by a maximum use of modern communications tools. IFAD could facilitate this approach 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 TORs and the conditions of group membership, following up on their activities, providing links among them and avoiding duplication of effort. Costs will vary significantly according to purpose, administrative arrangements, etc. and the estimate given below represents only two specific situations (Ghana and Guinea):

Average annual cost of supporting a local resource group: USD 5 870

16. **Project coordinators.** 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, and IFAD can 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 through special workshops and reinforcing their 'corporate identity' by inviting them to IFAD to meet the staff and give presentations. Thus incremental costs would refer to workshops and regular visits to IFAD, while all other costs would be covered by project budgets.

Annual incremental cost per project coordinator: USD 8 400

17. **Outposting of CPMs.** This option is not being *a priori* discarded, although IFAD's limited relevant experience has shown that it is not necessarily an effective way of increasing field impact



while maintaining links with headquarters. It can enhance IFAD's impact in the country of the duty station, but would also imply¹¹ a transfer of many CPM functions from headquarters to the country and reduce the contribution of the CPM concerned to headquarters-based activities (contribution to internal working groups; replacement of absent staff; collaboration with missions during report writing; participation in review meetings, etc.). The latter concern has been reflected in estimating the incremental costs of this option:

Annual incremental cost of outposting a CPM (including transfer, travel, training, benefits and incremental costs arising in headquarters): USD 61 000

18. **Outposting of associate professional officers (APOs).** APOs contribute actively to IFAD's operations, but usually have limited or no field experience. IFAD therefore proposes to employ 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 a national or regional institution (this is already being done by PL). During the second half of their assignment, while gaining country and project experience, APOs could thus also contribute to implementing follow-up and knowledge-sharing activities. The incremental costs for IFAD would not be significant as donor Governments largely finance APOs.

Annual incremental cost to IFAD of outposting an APO: USD 20 800

IV. A SPECIFIC CASE: THE FIELD LIAISON OFFICE

19. In addition to the priority tools discussed in the previous section – which have been used regularly or on a pilot basis in the past and will continue to be so – establishing field liaison offices (FLOs) in a limited number of countries may be an option to respond to the view of partners and to the requirements arising from increased attention to policy dialogue and partnership-building (paragraph 8). A field presence in the form of a permanent, locally staffed liaison office can play a crucial role in enhancing impact through implementation support and more-regular supervision. It can also have a facilitating function in policy dialogue and partnership-building, areas that will, however, always require a significant direct input by headquarters staff. A permanent in-country presence will always need to be accompanied by both traditional and innovative 'complementary tools', although it may to a certain extent reduce their relative importance, such as the frequency of staff missions or the role of CIs. Likewise, supportive measures will be needed, in particular those related to modern communications, to facilitate the work of both headquarters and local offices and contribute to other tasks, e.g. knowledge-sharing.

20. A permanent office in selected countries, can effectively support the implementation of ongoing projects, both directly and through facilitating the work of the CPM. It can also ensure liaison with relevant government departments and provide a link to development partners, including bilateral donors, regional development banks and the United Nations (UN) agencies (the UN resident coordinator and local offices of other UN agencies), thus supporting partnership activities between CPM visits as well. Staffed by nationals (as opposed to internationally recruited professionals or outposted CPMs), it would be in line with IFAD's policy of reliance on country ownership and local capacities; it would also permit IFAD to benefit from local knowledge and increase its understanding of a country's cultural and social complexity. The TOR of a field liaison office (FLO) could therefore include:

- regular follow-up on the implementation of all ongoing projects;
- contribution to supervision activities;
- contacts with government at the policy level;

¹¹ The experience of the Latin America and the Caribbean Division (PL) in outposting a CPM has been taken into account.



- partnership-building and participating in coordination meetings with bilateral development partners, UN agencies, international financial institutions and other multilateral development agencies;
- participation in national forums, workshops, etc.
- supplying of relevant country information to IFAD headquarters and missions; and
- facilitation of logistics of IFAD missions.

Economic conditions, manpower availability, logistics, infrastructure and price levels vary widely from country to country and region to region. These differences would impact on the TOR of an FLO in a given country and therefore would not allow definition of a standard blueprint model applicable to all countries. It goes without saying that the TOR would also vary with the state of portfolio development and management in a specific country and the rural development context. Where a country is in the process of developing a new policy for rural development, poverty reduction, etc. (e.g. PRS), the liaison office would need to allocate sufficient time to meetings and contacts with the Government and donors between headquarters staff missions. On the other hand, in the case of ongoing problem projects, significant input would be expected from the FLO in ensuring an effective response to recommendations made by supervision missions, drawing the attention of headquarters to new problems, etc.

21. **Staffing and office arrangements.** FLOs would not take the form of diplomatic representations in the countries¹² but be purely functional offices working at the operational level. This approach would limit the costs and staffing requirements of such an office. Staffing could be kept to a minimum and include a locally recruited professional, one support staff and a driver. A decision would need to be made as to the type of contract for which the local professional should be recruited, with a view to applying the same model in all countries concerned for reasons of equity. The required qualifications of the professional would be similar to those of a CPM, but would emphasize practical experience in project management and administration. S/he would report to the CPM and work on the basis of a programme and budget agreed upon with the latter on an annual basis. In order to effectively strengthen IFAD's presence in a country, the local professional would usually be given initial headquarters training and exposure and undertake annual visits to headquarters. Qualifications for support staff would be those of a programme Assistant. The FLO would be housed in modest office facilities in the capital, either independently or jointly with another agency. In this connection, IFAD would actively exploit possibilities arising from the ongoing UN-reform process, which aims, *inter alia*, to strengthen the role of the UN coordinator. Where feasible, the FLO could thus be located in the UN compound building and benefit from, and contribute to, synergetic relationships among the different UN agencies represented in a given country.

22. **Cost implications.** The following average expenditure for an FLO has been estimated on the basis of pilot experiences and, where appropriate, average budget figures taken from UN rates.

¹² Where, in any case, IFAD is represented by the UN coordinator.

Table 1: Cost of an Average Field Liaison Office¹³

Category	USD
<i>Investment Costs (to be renewed every five years)</i>	
Office equipment	13 500
Training	11 860
Vehicle	24 000
Headquarters support	13 180
Total	62 540
<i>Recurrent Costs (annual)</i>	
Salaries (professionals and support staff)	53 640
Allowances	9 995
Travel	5 000
Training and workshops	11 000
Other operating costs	18 900
Total	98 535

Spreading investment costs over a five-year period leads to an average total annual cost of about USD 110 000. This amount can be reduced to approximately USD 102 000 in cases in which IFAD has the opportunity (and considers it beneficial) to share offices with another agency.¹⁴

23. Clear criteria as to which countries would qualify for the establishment of an FLO would need to be identified. The size of the ongoing and pipeline portfolios would certainly be taken into consideration, as would the need for more active IFAD involvement at the policy level, potential for partnership-building and synergies, requirements for stronger implementation support and other factors. The number of countries for which FLOs could be envisaged would depend, moreover, on the availability of financial resources to cover the costs. As an illustration, the estimated total costs for an initial five-year period for 15 FLOs would be the following:

Table 2: Five-Year Cost Estimate for 15 FLOs
(USD)

Scenario	Year (YR) 1	YR 2	YR 3	YR 4	YR 5	Total	% Change from Base
Base Case: Locally staffed^a IFAD office							
Investment costs	938 100	0	0	0	0	938 100	
Recurrent costs ^b	1 401 225	1 478 025	1 478 025	1 478 025	1 478 025	7 313 325	
Total	2 339 325	1 478 025	1 478 025	1 478 025	1 478 025	8 251 425	
Annual average						1 650 285	0
Scenario 2: Locally staffed office shared with other UN agency							
Investment costs	848 100	0	0	0	0	848 100	
Recurrent costs	1 302 525	1 379 325	1 379 325	1 379 325	1 379 325	6 819 825	
Total	2 150 625	1 379 325	1 379 325	1 379 325	1 379 325	7 667 925	
Annual average						1 533 585	-7%

^a Based on average salary paid to locally recruited UN staff: an internationally recruited staff member (at P-4 level) would result in an annual average cost for the 15 offices of USD 2 792 685 or an 82% increase from the base case.

^b International travel to IFAD in YR 1 costed under investment costs

¹³ For details see Annex I.

¹⁴ On the other hand, the annual average would rise to about USD 186 000 if an internationally recruited professional staff member would head the office (based on the standard cost for a P-4 staff member, including installation (investment cost) and salary and benefits (recurrent cost)).



V. PROPOSED ACTIONS

24. Like its partner agencies, IFAD is contributing to the attainment of the Millennium Development Goals aimed at halving the percentage of people living in poverty by the year 2015. It is doing so in line with its mission of “enabling the rural poor to overcome their poverty” through projects and programmes, policy dialogue and advocacy on the three strategic objectives: (i) strengthening the capacity of the rural poor and their organizations, (ii) improving equitable access to productive natural resources and technology, and (iii) increasing access to financial services and markets. Enhancing its links with countries and projects will help IFAD realize these objectives and increase its positive impact on the social and economic situation of the rural poor. As discussed in previous sections, a number of relevant tools are at IFAD’s disposal and many are already being applied to respond to country’s situations in line with the availability of financial and human resources. However, the intensity and coverage of this ‘proxy’ field presence have proven to have some limitations where additional efforts must be made to respond to specific requirements of project implementation, policy dialogue and partnership-building. In addition to intensifying the application of traditional field presence tools, the possibility has been examined of complementing them with selective use of another instrument that would permit a more-permanent presence in selected countries, i.e. a locally staffed liaison office. The basic functions, operational and cost implications of such an FLO were set out in the preceding section. Should this option find support, more in-depth studies could be undertaken to examine such issues as the criteria for establishing an FLO, contract arrangements, financial resources, etc.

25. IFAD’s approach to strengthening its links with the field can thus be summarized as follows:

- The main objective of enhancing IFAD’s field presence is improved impact on the socio-economic situation of the target group through better project implementation.
- Other objectives are strengthened policy-dialogue, partnership-building and knowledge-sharing processes.
- IFAD will strengthen its use of traditional physical and virtual tools for enhancing its presence in regions and countries and apply them in a strategic, country- and region-specific manner.
- In selected countries, a new approach to field presence could be envisaged, i.e. the establishment of locally staffed liaison offices, in order to complement traditional, already tested tools.
- Additional resources will be required to effectively enhance IFAD’s field presence.

26. The October 2002 seminar on field presence and the discussions during the subsequent session of the Consultation will provide IFAD management with an opportunity to obtain the views and proposals of its Member States on the different options discussed in this document. They will be taken into account in finalizing a detailed proposal for enhancing IFAD’s field presence. That document will discuss rationale, objectives and relevant operational and financial arrangements and will be submitted to the Executive Board for a decision.



ESTABLISHMENT OF AN FLO DETAILED COSTS *

List of Tables:

Scenario 1: (Base Case) Summary of Annual Costs for Locally Staffed IFAD Office

Scenario 2: Summary of Annual Costs for Locally Staffed Office Shared with Other UN Agency

Scenario 3: Summary of Annual Costs for IFAD Office Staffed by Internationally Recruited Officer

* The costs are subject to confirmation and revision.

Scenario 1: (Base Case) Summary of Annual Costs for Locally Staffed IFAD Office

Cost Item	Unit	Unit Cost (USD)	Quantity	Total(USD)
Investment Costs (about every 5 years)				
Office equipment				
computer with printer	number	2 500	1	2 500
portable (laptop) computer	number	3 000	1	3 000
telephone/fax system	number	1 000	1	1 000
photocopier	number	5 000	1	5 000
office furniture	set	1 000	2	2 000
Total office equipment				13 500
Training				
headquarters training and exposure period	30-day trip	9 360	1	9 360
training as required	lumpsum	2 500	1	2 500
Total training				11 860
Vehicle	number	24 000	1	24 000
Installation of IFAD systems connection	lumpsum	5 000	1	5 000
Headquarters staff (CPM) travel to establish country office ^a	10 -day trip	8 180	1	8 180
Total investment costs				62 540
Recurrent Costs (annual)				
Salaries				
Local consultant ^b	person month	3 420	12	41 040
Support staff	person month	700	12	8 400
Driver	person month	350	12	4 200
Total salaries				53 640
Allowances (DSA) ^c				
<i>Local consultant</i>				
follow-up missions	7-day trip	525	5	2 625
project design missions	10-day trip	750	2	1 500
other visits	3-day trip	225	5	1 125
headquarters visits	10-day trip	2 120	1	2 120
Subtotal local consultant				7 370
<i>Driver</i>				
follow-up missions	7-day trip	263	5	1 313
project design missions	10-day trip	375	2	750
other visits	3-day trip	113	5	563
Subtotal driver				2 625
Total Allowances				9 995
Travel				
International air tickets (to/from Rome)	trips	3 000	1	3 000
Other local travel	lumpsum	2 000	1	2 000
Total travel				5 000
Training and workshops				
Staff training	lumpsum	1 000	1	1 000
In-country workshops	workshop	5 000	2	10 000
Total training and workshops				11 000
Other operating costs				
Office rent	month	500	12	6 000
Vehicle operation and maintenance ^d	year	4 800	1	4 800
Office operation and maintenance	year	3 000	1	3 000
Communication	year	1 200	1	1 200
Video conferencing ^e	hour	70	36	2 520
Miscellaneous (security, cleaning, etc.)	year	1 380	1	1 380
Total other operating costs				18 900
Total recurrent costs				98 535

^a Includes salary, DSA and air ticket.

^b Salary based on UNDP National Officer Salary Scale (Level 7C), average for all regions.

^c Average DSA rates @ USD 75 for in-country travel and USD 212 for Rome; driver rates 50% of in-country rate.

^d Assumes 20% of purchase price of vehicle.

^e Assumes 3 hours per month.

ANNEX I

**Scenario 2: Summary of Annual Costs for Locally Staffed Office
Shared with Other UN Agency
(USD)**

Cost Item	Total
Investment costs (about every 5 years)	
Office equipment	7 500
Training	11 860
Vehicle	24 000
Installation of IFAD systems connection	5 000
Headquarters staff (CPM) travel to establish country office ^a	8 180
Total investment costs	56 540
Recurrent costs (annual)	
Salaries	49 440
Allowances	9 995
Travel	5 000
Training and workshops	11 000
Other operating costs	16 520
Total recurrent costs (annual)	91 955

^a Includes salary, DSA and air ticket.

**Scenario 3: Summary of Annual Costs for IFAD Office Staffed by
Internationally Recruited Officer
(USD)**

Cost Item	Total
Investment costs (about every 5 years)	
Office equipment	13 500
Training	11 860
Vehicle	24 000
Installation of IFAD systems connection	5 000
Installation costs (recruitment, travel, etc.)	40 000
Headquarters staff (CPM) travel to establish country office ^a	8 180
Total investment costs	102 540
Recurrent costs (annual)	
Salaries	121 800
Allowances	9 995
Travel	5 000
Training and workshops	11 000
Other operating costs	18 900
Total recurrent costs (annual)	166 695

^a Includes salary, DSA and air ticket.

**AVERAGE DAILY FEES AND DAILY TRAVEL COSTS ^A**

Average Cost per Region	PA	PF	PI	PL	PN	All Regions
Staff travel cost (travel and DSA 2000 without salary)	376	446	349	445	381	399
DSA (UNDP rates)	114	129	113	184	128	134
International consultants (IFAD, 2001)	315	328	293	268	272	295
Local consultants fees (IFAD, 2001)	229	184	152	197	159	184
UNDP national officer salary (regional samples)	92	85	82	181	128	114

^a Based on data supplied by the Office of Human Resources and the Office of the Controller.

BASIS OF COST CALCULATIONS FOR TRADITIONAL TOOLS

Annual Cost	Unit	Unit Cost (USD)	Quantities	Base Cost (USD)
Staff missions^a				
Staff cost (salary and DSA)	person day	470	40	18 800
Travel (ticket and terminals)	trip	3 000	4	12 000
Total				30 800
Consultant missions^b				
Consultant cost (fee and DSA)	person day	445	40	17 800
Travel (ticket and terminals)	trip	3 000	2	6 000
Total				23 800
Local resource group^c				
Project coordinators (PCs)^d				
Workshop on IFAD approaches, project cycle, etc.				
Consultant cost (fee and DSA)	person day	470	40	18 800
Consultant travel (ticket and terminals)	trip	3 000	4	12 000
Miscellaneous workshop costs	lumpsum	2 000	1	2 000
Headquarters visit for 10 PCs	10-day trip	5 120	10	51 200
Total				84 000
Cost per PC per year				8 400
Outposted professional staff ^e				49 998
Outposted APO (based on average PL base costs ^f)				119 235

^a 40 extra days (in four 10-day trips) spent in a country by the CPM.

^b Two 20-day trips by an international consultant.

^c Average costs of two proposals (Western and Central Africa Division), taking into account CPM time to establish group.

^d Costs for ten project coordinators/managers per year.

^e Includes incremental transfer, travel, training and the differential to Rome-based benefits, but NOT local office costs. It also does not take the effects of outposting a CPM on the division's regular workload and travel budget, which could raise the amount by about USD 11 000 per year.

^f Most of these costs would be financed by the donor government, leaving a residual amount of USD 20 800 per year to be financed by IFAD.