

AFRICAN DEVELOPMENT FUND



Decentralization Progress Report (Background Paper #4)

ADF-XI Replenishment Meeting
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1. BACKGROUND

1.1 By Resolutions adopted on 27 September 1999 and 13 November 2002 respectively, the Boards of Directors of the Bank and Fund decided to establish a network of field offices in RMCs to improve dialogue with client countries, raise the Bank's profile, strengthen portfolio management and improve donor coordination. As a result, in June 2004 the Boards approved a Decentralization Strategy (ADF/BD/WP/2004/84/Rev.1) that envisaged the opening of up to 25 fully operational field offices (FO) by the end of 2006. The countries were: Algeria, Angola, Burkina Faso, Cameroon, Chad, Democratic Republic of Congo, Ghana, Gabon, Egypt, Ethiopia, Kenya, Madagascar, Mali, Malawi, Morocco, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, Sudan, Tanzania, Tunisia, Uganda and Zambia.¹

1.2 This note is to inform the ADF Deputies about the status of decentralization up to the end February 2007, and specifically covers the opening of the offices, IT and SAP connectivity with the Headquarters, and proposals for strengthened staffing. Country specific details on openings and staffing are contained in the attached tables.

2. HOST COUNTRY AGREEMENTS AND OPENING OF THE OFFICES

2.1 Out of the 25 countries, Host Country Agreements (HCA) have been signed for 21 Field Offices. The exceptions are Algeria, Angola and the Sudan. Negotiations were concluded for Algeria and the Agreement is expected to be signed in April 2007.

2.2 The 21 Field Offices for which Agreements have been signed were all staffed and operational by December 31, 2006; and 13 of the offices were officially inaugurated by Bank senior management.

2.3 The Bank has engaged the authorities in Algeria, Angola, and the Sudan at the highest level to ensure that Host Country Agreements are signed and the Field Offices in these countries are operational during the course of 2007.

3. STAFFING OF THE OFFICES

3.1 As originally implemented, all Field Offices, regardless of the size of the country or portfolio, or the status of donor coordination or potential for economic and sector work, had a uniform complement of 2 International Professional Staff positions, and 11-13 Local staff, of which up to 4 would be Local Professional staff, and the rest local support staff.

3.2 Twenty one field offices are now operational. At present, these offices are mainly staffed at the above, uniform level, with Officers in Charge where Resident Representatives are not in place. Proposals to strengthen the offices are currently being implemented.

¹ It should be noted that following the relocation of the Bank to the ATR in Tunis, activities to open the Country Office were put on hold.

3.3 To enable the Offices to more effectively deliver the Bank's products and services, and meet harmonization and alignment goals, Management is exercising flexibility in determining the staffing of each Field Office, using a "tailored" approach. This approach was envisaged in the 2004 Board paper but not hitherto implemented, and takes account of the country portfolio, Economic and Sector Work (ESW) potential, and harmonization and alignment demands. In this context, Regional Departments have submitted a matrix to Management, showing the proposed staffing for each Office under their jurisdiction (see table 2).

3.4 The tailored approach, which would result in an increase in staff assigned to field offices from 330 to 384, would reinforce ADB's commitment to decentralization, without significantly increasing the cost to the Bank, since a large proportion of the expanded professional staff will be recruited locally.

4. IT AND SAP CONNECTIVITY

4.1 Efficient IT connectivity with the headquarters is critical to the efficient functioning of the Field Offices and, to relations and links with other partners, and clients. Host Country Agreements as such incorporate authorization for the Bank to install independent VSAT equipment to facilitate field office access to the Bank's IT System and servers at the Headquarters.

4.2 Except Angola, Sudan and Algeria, all offices are operational with access to computer, telephone, internet, fax and printer facilities. However, satellite VSAT system which is used to connect these offices to the head office in Tunis in order to provide full access to Bank's IT resources such as System Applications Programs (SAP) to the staff are operational in 18 offices. Also, videoconference facilities are available in those offices. VSATs are expected to be operational by end of March 2007 in the 4 remaining countries (Malawi, Zambia, Chad and Cameroon).

4.3 Access to SAP is particularly important to implementing proposals to decentralize decision making and resource utilization in the context of enhanced delegation of authority.

Table 1 - Status of Field Offices (February 2007)								
Dept	FO	HCA	Official Inaugur.	SAP Connect.	Staff Envisaged		Staff at Post	
					Int	Local	Int	Local
North 2	Egypt				2	11	2	11
	Algeria				2	11	0	0
North 1	Morocco				2	12	1	9
	Mali				2	11	1	11
West 2	Senegal				2	13	2	13
	Sierra Leone				2	11	0	0
West 1	Burkina Faso				2	12	2	12
	Ghana				2	11	0	0
	Nigeria				3	11	1	11
Center	Cameroon				2	13	0	2
	Chad				2	11	0	0
	Congo (DRC)				2	13	0	0
	Gabon				3	13	1	13
East 2	Ethiopia				2	11	2	11
	Sudan				2	11	0	0
East 1	Kenya				2	11	0	0
	Rwanda				2	11	2	11
	Tanzania				2	11	2	11
	Uganda				2	12	2	10
South 2	Angola				2	11	0	0
	Madagascar				2	12	2	12
	Malawi				2	11	0	0
	Mozambique				2	13	1	9
	Zambia				2	13	0	0
							10 ^{b)}	
Target Compliance		88%	54%	71%			62%	52%

a) Green or dark color indicates achieved; light color denotes not achieved.

b) Already includes 10 Res Reps appointed in February but not yet allocated to FO

Table 2 - Staffing of Field Offices - Initial Proposals Compared to the Tailored Approach					
Dept	FO	Staff - Initial Proposal		Staff - Tailored Approach	
		Int	Local	Int	Local
North 2	Egypt	2	11	3	11
North 1	Algeria	2	11	2	11
	Morocco	2	12	2	12
West 2	Mali	2	11	2	14
	Senegal	2	13	3	23
	Sierra Leone	2	11	2	11
West 1	Burkina Faso	2	12	3	15
	Ghana	2	11	6	13
	Nigeria	3	11	4	14
Center	Cameroon	2	13	3	15
	Chad	2	11	2	11
	Congo (DRC)	2	13	4	13
	Gabon	3	13	3	13
East 2	Ethiopia	2	11	3	14
	Sudan	2	11	1	11
East 1	Kenya	2	11	2	11
	Rwanda	2	11	3	11
	Tanzania	2	11	3	15
	Uganda	2	12	3	13
South 2	Angola	2	11	1	11
	Madagascar	2	12	3	14
	Malawi	2	11	2	11
	Mozambique	2	13	8	13
	Zambia	2	13	3	13
Total		50	280	71	313