

ARGENTINE REPUBLIC COUNTRY PROGRAMME EVALUATION

Decentralized project implementation coordinated at the central government level

When the Government of Argentina requested that IFAD interventions should be implemented in the provinces but coordinated at the federal level, the Fund found itself facing a difficult challenge.

Nevertheless, despite the complexities and setbacks encountered with such an arrangement, the 2010 Argentina country programme evaluation (CPE) concluded that implementation of IFAD interventions had overall produced positive results. A major achievement of the country programme (greatly appreciated by the Government) was a shift towards local ownership of project objectives and creation of institutional capacity in the provinces. The lengthy processes involved in obtaining legislative approval at the provincial level and in coordinating legal requirements/bureaucratic procedures between the central and provincial governments have led to unusually long delays in implementation and increased administrative costs. However, the indirect benefits of local ownership, institutional development and improved relationships between the central and provincial governments have gone well beyond the direct benefits of projects.

Argentina is a federal republic comprising 23 constitutionally autonomous provinces and a federal capital. Both the central and provincial governments have independent executive, legislative and judicial powers. In spite of this governance structure, the central government's need to maintain control of fiscal and external debt accounts means that national policies have been often implemented vertically, without sufficient participation on the part of rural organizations or project beneficiaries. The political, fiscal and debt relationships existing between the central and provincial governments are complex, and lead to difficulties in implementing fiscal or external debt matters. Local governments have to seek the approval of their local parliaments before making any fiscal or debt decisions; external debt cannot be incurred by local governments without central government approval; and the fiscal revenues of the provinces are not fully independent of central government allocations.

IFAD's Regional Strategy document for Latin America and the Caribbean of 2002 and the Argentina Country Strategic Opportunities Programme (COSOP) of 2004 both recognized the need for greater interaction between the central and provincial governments. The COSOP also called for enhanced capacity-building among rural organizations and provincial government institutions. IFAD has responded to both challenges.



A mini-fundio farmer in San Luis de Palmar, Corrientes, stores harvested maize that is then ground into flour. He has received credit from an IFAD-financed project to grow this maize.

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Implementation difficulties in a complex decision-making environment

For project implementation, fiduciary contracts were necessary between the central and local governments. These in turn required the approval of local governments, local parliaments and different branches of the central government. Local parliaments were slow to approve the legal procedures necessary to allow the provinces to assume debt; the division of responsibilities

between the provinces and central government was not unambiguous; and the legal requirements and bureaucratic procedures were not always clear at the provincial level and could not be fully harmonized between IFAD and the local and central governments. The fiscal capacity of provinces to provide counterpart funding was also weak, while the institutional capacity of local governments in terms of implementing projects was generally tenuous.



Some mini-fundio farmers from Corrientes sell their produce in the city market. They are beneficiaries of the Programme of Credit and Technical Support for the Small Producers in Northeast Argentina

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All this had a negative impact on the efficiency of IFAD operations. Delays between project approval and effectiveness have been abnormally lengthy – double the average for other Latin America countries. Administrative costs reached about 30 per cent of total project costs compared with about 10-15 per cent normally envisaged at the project design stage.

Project achievements outweigh project obstacles

Despite the implementation difficulties created by the decentralized system of governance, the projects contributed to IFAD's mandate of increasing beneficiary incomes and ensuring the food security of vulnerable segments of the population.

Most importantly, the indirect benefits of implementing projects at the provincial level went well beyond the direct benefits expected of IFAD interventions. Decentralized implementation helped to ensure a high degree of programme ownership on the part of provincial-level beneficiaries, the building of organizational and institutional capacity in the provinces, and substantially improved relations between the central and provincial governments. The projects also helped create a participatory environment inasmuch as rural organizations all over the country started to participate actively in political decision-making and in promoting rural development and smallholder

agriculture. The importance of this achievement cannot be overemphasized, especially in a country where, previously, agricultural policies had always, and almost exclusively, promoted large industrial-agriculture interests.

Main lessons: persistence and proficiency

In spite of the amount of time and resources needed to implement projects in such a complex environment, the creation of a participatory, transparent process for decentralized decision-making made it possible to:

- Increase the ownership of programmes in favour of rural development – not just in the provinces but also at the national level.
- Establish sustainable institutions to ensure successful project implementation in the provinces.
- Improve operational harmony between provincial- and federal-level procedures, thereby generating important operational benefits.
- Underscore the importance of IFAD's sustained direct supervision efforts and presence in the country.



A farmers' son cares for peppers and tomatoes growing in a greenhouse in Mborucuya, Corrientes. This mini-fundio farm has received credit from an IFAD-funded project to finance the building of the greenhouse.

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Further information:

Argentine Republic, Country Programme Evaluation, Report No. 2322-AR, December 2010, ISBN 978-92-9072-199-4, IFAD Office of Evaluation, Via Paolo di Dono, 44, 00142, Rome, Italy. The full report, Profile and Insights are available online at www.ifad.org/evaluation; email: evaluation@ifad.org.