

## **2009 Progress Report on IPA Implementation**

### **Executive Summary**

#### **Introduction**

1. The IPA is an extremely ambitious plan for far-reaching change throughout the Organization, and the blueprint for the most comprehensive reform process that any UN organization has undergone to date.
2. The purpose of this paper is to provide a report on progress made in 2009 on implementing the Immediate Plan of Action (IPA) mandated by Resolution 1/2008 of the 35th (Special) Session of the FAO Conference.
3. The report provides a synoptic view of progress made across the year, projecting the situation at 2009 year-end. It also reflects on achievements made in 2009, and outlines a way forward in light of the changing nature of FAO reform as we move into the next biennium.

#### **Background**

4. Members agreed an Immediate Plan of Action (IPA) as a basis for FAO renewal in response to the recommendations of the Independent External Evaluation (IEE) and established a Conference Committee for the Follow-up to the IEE (CoC-IEE) as an oversight body.
5. The IPA is an interrelated set of 235 actions with numerous dependencies that require an integrated approach. Linking these actions is an overarching objective to transform FAO to manage for results, whereby FAO clearly articulates members' objectives, delivers measurable results with clear impact, functions as one organization in all of its work, optimises the use of human resources, is efficient in the delivery of services and holds itself accountable to members on the results achieved. The results-based management framework and related actions constitute the core of FAO reform and its main priority.
6. To commit to change, focus on results, and make rapid progress in addressing the many IPA actions, management grouped all actions into 14 projects, grouped these 14 projects into 5 thematic clusters to provide a link between the projects and the FAO mandate and ensure integration across projects, and appointed senior subject matter specialists as project leaders.
7. Some IPA actions require analysis and policy consideration by management and a cross-Departmental Reform Support Group (RSG) was established to review policy papers prior to consideration by the Senior Management Team for the IPA (SMT-IPA). This is the policy making group for IPA matters led by the Deputy Director-General, and working under the general guidance of the Director-General.

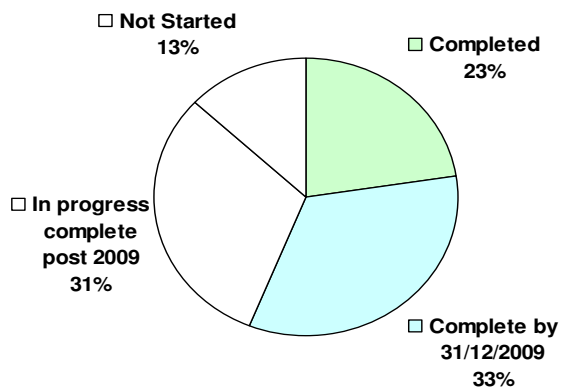
#### **Progress**

8. Management has made good progress implementing the IPA actions with 53 IPA actions (representing 23% by number of the original 235 IPA actions) completed as at 31 August 2009 and 132 actions or 56% of the total of all IPA actions (see figure 1) projected for

completion by end 2009.

9. IPA actions that have been completed span a wide range of initiatives – many straightforward, but others time consuming and complex, for example the results-based planning documentation (Strategic Framework, MTP and PWB) and the Root and Branch Review. Actual and expected completion details for each action mandated by Resolution 1/2008 may be found at Annex 1 which reproduces the Conference-endorsed action matrices from document C 2008/4. This positive progress is testament to dedication by the Secretariat and Membership towards the goals of FAO Reform.

**Figure 1 - IPA Actions Status (1/2008 Resolution)**  
Total Actions 235



## Achievements

10. In addition to consideration of the number of IPA actions completed, it is appropriate to consider the substantive elements of these actions, as these represent the achievements made in 2009 towards FAO reform.

11. As indicated in paragraph 5 above, the overarching objective of FAO reform is to transform the Organization into one that manages for results. This requires successful completion of two elements – the clear articulation of member objectives and, within this context, the delivery of measurable results with clear impact.

12. FAO has taken major steps forward in this regard in 2009. Members and management have formulated a new results framework that comprises the FAO vision, the three Global Goals of members and associated eleven Strategic Objectives, and the means of action through application of two Functional Objectives and eight Core Functions. The Medium Term Plan 2010-13 and PWB 2010-11 have been developed based on this results framework for consideration by the 36<sup>th</sup> FAO Conference in November 2009, and have integrated resources from assessed and estimated voluntary contributions. This represents a clear application of the results framework into a tangible deliverable and is a major 2009 reform result (C 2009/15).

13. An essential element of delivering measurable results is the ability of the Organization to function as one, and this is the second key area of focus. Functioning as One has many dimensions - staff at Headquarters and in decentralized offices, management and members, and FAO and other partner organizations. Its overriding interpretation is functioning as one *team* with clarity and agreement to contribute to the strategic objectives of the Organization. In this context, a stronger role has been given to Regional Offices in decision-making.

Regional Representatives (RRs) have become regular participants, through videoconferencing, of the Senior Management Meetings and other important corporate policy meetings and are contributing to a better balance between global, regional, subregional and country concerns. RRs in consultation with other decentralized offices have played a lead role in preparing budget proposals for their offices, as well as for the region in general, for the 2010-11 biennium. As of 1 January 2010, RRs will also have full budget and programme responsibility for technical officers in the region. They will also progressively oversee the technical and substantive work of the FAO Representations. The Subregional Offices have also seen a major change in the role and functions and the subregional Multidisciplinary Teams (in which FAO Representatives and the Subregional Technical Officers work together) and are emerging as a strong and effective team.

14. The IPA for FAO renewal calls for the establishment of an incentive-based rotation policy at headquarters and between headquarters and the decentralized offices. Two complementary draft HR policies have been developed to support this objective. The first, a draft policy on intra-organizational staff mobility, seeks to promote the movement of staff between different functions and/or duty stations for a period in excess of one year. It is envisaged to implement this proposed policy in a phased approach, with a target of 50 managed moves per annum during the 2010-11 biennium. The second policy, a draft policy on mission or temporary duty status, advocates the mobility of staff on assignments which do not exceed eleven months. Both of these policies aim to support career development, enhance cooperation between different functions and office of FAO and develop a more flexible, mobile and versatile workforce. Their implementation will contribute significantly to promoting the mobility of FAO staff and consequently to the exchange of knowledge and experience of staff at all locations. The formal internal consultation process on both policies commenced in August 2009 and is presently on-going.

15. A comprehensive restructuring of the Headquarters Structure was initiated in 2009 for completion in 2012, building on the principles provided in the IPA. During 2009, the Office of Evaluation was established following the appointment of the Director of Evaluation. Changes have been prepared to the reporting lines of FAORs to clarify and improve the relationship between Country Offices and the respective Regions, and staff in decentralized offices have been trained to take on responsibility for the TCP in 2010.

16. In terms of governance reform, a significant achievement was the endorsement of the numerous amendments to the FAO Basic Texts needed for the implementation of the IPA, through the Committee on Constitutional and Legal Matters, the CoC-IEE and the Council, for final adoption by the Conference in 2009.

17. A very welcome additional outcome of the numerous CoC-IEE meetings has been a strengthening of the relationship between management and members. The numerous meetings, formal and informal, have led to a greater understanding of the respective concerns, constraints and aspirations and to a productive and constructive working environment. This achievement is considered of equal value to the progress made in implementation of the IPA projects because trust and good working relationships underpin FAO reform. Indeed, the reform process has brought forward a greater degree of understanding between members and management and a greater commitment to, and joint ownership of, the Organization's future strategic direction.

18. With regard to enhancing FAO's partnerships, the note on an Organization-wide Strategy on Partnerships was fully endorsed by the joint meeting of the CoC-IEE Working Groups I and III on 16 May 2008 and work on developing the strategy has been initiated in 2009. The document "Directions for Collaboration among Rome-based Agencies" jointly developed by FAO, WFP and IFAD was approved by the Heads of the three agencies and was discussed at the FAO Joint Meeting of the Programme Committee and the Finance Committee on 29 July 2009. The document will also be submitted to IFAD's Executive Board in September 2009 and WFP's Executive Board in November 2009.

19. A major factor in functioning as one in a results-based environment is to optimise the use of our human resources. In this regard the Human Resources Management Strategy and Policy Framework has been developed and the Performance Evaluation and Management System (PEMS) Pilot, involving over 500 staff, was launched in 2009. PEMS provides the essential accountability link between the Strategic Framework, Organizational results, unit results and individual staff performance and, as such, it is an essential element of the results framework.

20. The Culture Change team has been engaged in wide scale staff engagement at Headquarters and in decentralized offices, consulting more than 1,000 persons throughout the Organization using various participatory techniques. In 2009 it has produced solid achievements in the development of a vision statement and proposals for career development, rewards and recognition and for fostering an inclusive work environment. Furthermore, an Ethics Officer was appointed.

21. In terms of management competencies, the tri-Agency Management Development Centre has been revamped to stress the Managerial Competencies assessed through PEMS, and staff development courses have been delivered to support Results-Based Management.

22. Achievements in support of the working environment and demographic rebalancing have also been achieved in 2009. Flexible working arrangements for staff were introduced in 2009, and plans developed for the further recruitment and development of young professionals (Internship and Junior Professionals Programme). At the other end of the age-spectrum, policies for the rationalized use of retirees have been introduced.

23. A fourth area of achievement is efficiency in the delivery of technical, management and administrative services. As a result of the delayering exercise one third of the Organizations Director level positions have been abolished, delivering substantial savings that have been redirected towards FAO's technical programmes, and providing a flatter and less hierarchical management structure.

24. The delayering exercise is associated with proposed changes in the ways in which technical and management work is carried out, and one example of these proposed changes is in the Economic and Social Development Department (ES). ES is piloting a model by which services would be eliminated and divisions would set up result-oriented task teams in order to deliver specific organizational results.

25. In terms of administrative efficiencies, the Root and Branch Review was completed in 2009. The resulting recommendations set the scene for major administrative changes in 2010, and these were added to the original list of 235 IPA actions to form an Integrated IPA of 270 actions. This Integrated IPA is detailed at Annex 2, together with the 2010-11 estimated costs

for each action.

## 2009 Costs

26. Throughout 2009, management has paid attention to the cost estimates for IPA implementation, with a view to reducing them where possible. Initial work was focussed on refining estimates of effort required, and creative mechanisms were applied to reduce the external funding requirements for 2009 by re-costing staff backfilling costs by funding only actually incurred external costs, rescheduling some activities to 2010, and funding from alternative sources. The impact of the above was a reduction of the IPA Trust Fund requirement to USD 14.27 million<sup>1</sup>.

27. A decision was made to identify certain IPA actions which underpin all the reform effort and “ earmark ” funds for those, and then “ sequence ” a number of other IPA actions which could be selectively launched in 2009 as funds became available. The costs of IPA actions earmarked and sequenced for 2009 were estimated at USD 9.83<sup>2</sup> million.

28. Trust Fund pledges as at 2 September 2009 total USD 8.3 million, out of which contributions received amount to USD 5 million. The extent of earmarked and sequenced projects for which approval has been given to commit expenditure is indicated in figure 2.

29. Management has made an assumption that the funding required to support all earmarked and sequenced IPA actions totalling USD 9.83<sup>2</sup> million will be received in 2009. The funding for non-earmarked or sequenced projects was included in the 2010-11 IPA programme.

*Figure 2 - Sequencing of IPA actions for 2009 (USD millions)*

<u>Project</u>	<u>2009 Costs</u>	<u>Sequence</u>	<u>Approved</u>
13. Culture Change	0.90	Earmarked	Yes
15. Governing body follow-up	1.30	Earmarked	Yes
16. Management follow-up	0.60	Earmarked	Yes
14. HR – PEMS & PEMS training	2.40	1	Yes
6. Decentralization	1.20	2	Yes
14. HR – MIS	0.50	3	
RBR – MIS design	0.30	3	
12. Enterprise risk mgt – contract	0.50	4	
8. Partnerships	0.16	5	
14. HR – other mgt. training	1.60	6	
RBR - new role for HR function	0.37	7	
Total earmarked/sequenced actions	9.83	(USD 10.51 million including PSC)	

## Challenges for 2010-11

30. In 2010-11, the FAO Reform effort will include some very large and challenging actions that will impact upon FAO employees at all locations. These will introduce new ways of

<sup>1</sup> USD 15.27 million including 7% Project Support Cost (PSC)

<sup>2</sup> USD 10.51 million including 7% Project Support Cost (PSC)

managing (e.g. results based management, enterprise risk management, new planning and implementation monitoring model), new work processes (many changes to administrative processes), new administrative services (registry improvements, printing, procurement), new HR policies (staff rotation, junior professionals) and new evaluation systems and processes (PEMS).

31. Implementation of these large and complex initiatives will necessarily be in parallel with the execution of an integrated programme of work under a substantially overhauled organizational structure, and in conjunction with other ongoing FAO initiatives, such as IPSAS<sup>3</sup>. This adds to the risk of intricate interdependencies and competition for management and staff time associated with IPA implementation. Management has taken remedial actions when reducing the IPA programme for 2010-11 from USD 59.8 million to USD 38.6 million to extend timeframes and delay start dates of some of these parallel projects in order to mitigate these risks.

32. The four themes into which IPA actions predominantly fall in 2010-11 will be:

- Managing for Results, in which the Organization will develop Monitoring and Reporting systems to provide key performance information to members, prepare a new planning and budgeting model, risk management, and standardized reporting system. A *whole organization* rollout of the staff appraisal system (PEMS) will be undertaken in 2010-11 to complete the “accountability link” between FAO Strategic Objectives and individual staff performance.
- Functioning as One, in which the Organization will invest in the essential infrastructure to enable staff in our decentralized offices to be able to use the same corporate tools and facilities as their colleagues in headquarters. The Organization will also double the number of staff rotating between headquarters and the decentralized offices to ensure a full flow of knowledge and expertise between the offices, and enrich the experiences and knowledge of our staff.
- HR Reform in which the Organization will reinforce its human resources management through the delivery of an integrated, cohesive and results-oriented HR Management Strategy and Policy Framework. It is envisaged that the six main initiatives embodied in this Framework (performance evaluation, management/leadership training, management information reporting, innovative HR policies, support to restructuring and streamlining initiatives) will be fully implemented during the course of the 2010-11 biennium and will thus constitute the principal pillars of the HR reform at FAO.
- Administrative Reform, in which a number of initiatives recommended by the Root and Branch Review will be implemented. These range from the review and further automation of the registry function, the new printing and distribution unit, travel services, and a wide range of procurement related improvements, including setting up a Rome-based agency procurement unit to deal with the joint procurement for Headquarters goods and services of the three Rome-based agencies.

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<sup>3</sup> Funded through the Capital Expenditure Facility

**Way forward**

Good progress has been made in 2009 with completion of a large number of IPA actions. Improved relationships and greater understanding between management and members has been instrumental in moving FAO reform forward throughout the year. 2010 should see further completion of IPA actions, some of which will be complex and will have a significant impact on staff. The shift to a more operational focus of the activities will require the introduction of changes to the support mechanisms to maintain their effectiveness including an alignment of accountability with the results-based framework. Management will resort to the use of external expertise where the necessary skills do not reside in the house. Support mechanisms will have a strong emphasis on communication, both internal and external. The open dialogue between management and members will be maintained, both formally and informally.

The implementation of this reform programme throughout the next biennium will provide a solid foundation for an institutionalized process to continually improve the Organization's efficiency and effectiveness.