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COUNCIL

Hundred and Forty-fifth Session

Rome, 3-7 December 2012

Progress Report on the Immediate Plan of Action Implementation

Executive Summary

- This report provides information on progress on implementation of the Immediate Plan of Action (IPA) during 2012. It updates the information provided on the New Direction of IPA Implementation through document CL144/10 to the 2012 spring Governing Bodies sessions and later at an informal briefing held on 18 July 2012.
- The efforts undertaken in 2012 to accelerate the reform process have been successful, with most IPA actions that were open at the end of 2011 now scheduled to complete in 2012. The report provides details on actions that will extend into 2013.
- The report seeks guidance from Members on a number of IPA actions, and for each of these actions, management submits proposals to Members on how best to proceed.
- The report updates Members on progress achieved on the benefits realization initiative and presents some examples of benefits either achieved, in progress, or to be achieved in the future. Furthermore, the report provides details on benefits classification and notes the future steps and processes to be undertaken to bring this initiative to a successful conclusion.
- Mainstreaming is the final objective of FAO renewal and the report provides details on the mainstreaming approach for IPA actions extending to 2013, and for delivery of IPA benefits.
- The report indicates that, as at end August 2012, IPA expenditure and commitments totalled USD 16.48 million, which is 58% of the 2012 budget. A balance of USD 12 million remains to be expended during the remainder of 2012.
- As the reform process approaches its final stage, the report updates Members on future reporting arrangements indicating that the 2012 annual report, to be presented to Governing Bodies in Spring 2013, will include full information of a quantitative, qualitative, financial and budgetary nature, ensuring compliance with Conference resolution 6/2011 and covering also the areas mandated by Council at its June 2012 session.

Suggested action by the Programme and Finance Committees and Council

- **The Finance Committee** is requested to review progress on IPA budget and expenditure (Section V, paragraphs 58 through 61).
- **The Joint Meeting of the Programme and Finance Committees** is requested to review progress on all other sections of this report. The Joint Meeting is also requested to provide guidance to Council on the 10 IPA actions that need to be reconsidered, as summarized at table 1 – Paragraph 27
- **The Council** is requested to:
 - **Provide Guidance** on the proposals for the way forward presented by management on 10 IPA actions that need to be reconsidered (summarized at table 1 – Paragraph 27)
 - **Take note** of the information provided in document CL 145/10 and of the review of the Finance Committee and Programme Committees and provide such guidance thereon as deemed appropriate.

Queries on the substantive content of this document may be addressed to:

David Benfield
Director, IPA Programme Management Unit

Tel. +39 06570 54508

I. Introduction

1. This report provides information on progress on implementation of the Immediate Plan of Action (IPA) during the period January – September 2012. It updates the information provided in document CL144/10 considered by the Joint Meeting of the Programme and Finance Committees in May 2012 and by Council in June 2012. Progress on implementation was discussed at an informal briefing held on 18 July 2012, and this report formally presents the updates discussed in July, taking into consideration the feedback obtained from Members.

2. This report is presented as a Council document in compliance with Conference Resolution 6/2011, but is also addressed to the Members of the Finance and Programme Committees through their Joint Meeting in November 2012. This is to allow Members of the Council to receive and consider the technical advice of the Finance and Programme Committees through their reports to the 145th Council session.

3. The new direction for FAO renewal, announced by the Director-General in January 2012, recognised the need to bring the renewal process to a successful conclusion as soon as possible through three initiatives:

- to accelerate the reform process, by completing as many IPA actions as possible by the end of 2012;
- to bring the FAO renewal to a successful conclusion, by fully realizing and reporting on the benefits;
- to mainstream IPA actions into the ongoing work of the Organization.

4. These initiatives were summarised in the Director-General's Bulletin (DGB) 2012/08¹, of 19 January 2012, which also called for a streamlined IPA Programme Board in order to render the management of the IPA programme more effective.

5. In the following sections of this progress report management updates Members on the work undertaken during 2012 under each initiative. The report comprises six sections and two annexes, as follows:

- **Section II - Acceleration**, describes the results of the acceleration initiative, noting that most open IPA actions are expected to complete in 2012, and providing details on those extending to 2013. This section also reports on IPA actions that need to be further discussed with Members, putting forward for each action a proposal on how to best move forward.
- **Section III - Benefits Realization**, updates the information provided through document CL 144/10 and information presented at the 18 July informal briefing.
- **Section IV - Mainstreaming**, describes the approach for mainstreaming into the ongoing work of the Organization those IPA actions that are expected to extend into 2013, and also for mainstreaming IPA benefits realization in 2013 and beyond.
- **Section V - IPA Budget and Expenditure**, provides an update on budget and expenditures of the IPA programme as at the end of August 2012.
- **Section VI - Future reporting**, provides information on the final IPA report to be considered by Governing Bodies in Spring 2013.

¹ Annex II, Doc CL144/10 refers

6. The report includes 2 annexes:
- **Annex I** describes in more detail the IPA Benefits Framework and provides information about the elements comprising each quadrant of the framework.
 - **Annex II** presents examples of IPA benefits.

II. Acceleration

7. The acceleration initiative aims to complete as many IPA actions as possible within 2012. As reported to the June 2012 Council Session², as at December 2011 53 IPA actions remained open.

8. In February 2012 a review was undertaken of all open IPA actions to determine the opportunities for accelerating those IPA actions that planned to complete in 2013 to complete instead by the end of 2012, with due regard to not sacrificing quality for speed.

9. The review was very successful and completion of many IPA actions previously scheduled to complete in 2013 was accelerated to complete within 2012. However, there are 10 IPA actions that cannot complete within 2012, which will be subsequently integrated and mainstreamed into the normal work of the Organization. These are described below:

- i) **Action 2.74** (*The Conference will assess the workings of the governance reforms, including the role and functioning of the Regional Conferences with an independent review as an input to this process.*) This action, by its nature, is scheduled to start after the reform programme has been completed at the end of 2012 because it relates to a post-closure assessment of reform.
- ii) **Action 4.1** (*The Council will monitor the progress of implementation of the Immediate Plan of Action and report to Conference at its 36th Session and its 37th Session. It will be supported in this by the Programme and Finance Committees and reports from the management*). This action also by its nature cannot complete in 2012. It relates to Council monitoring the progress of implementation of the Immediate Plan of Action. This will include Council's review of the 2012 annual report in Spring 2013 and its report to Conference in June 2013.
- iii) **Action 3.42** (*Development and deployment of a field version of Oracle adapted to FAO Representatives' (FAORs) needs*). This is the IPA action to replace the Field Accounting System currently in use in Country Offices. This action is a part of the Global Resource Management System (GRMS). The GRMS progress report³ to be discussed in the upcoming session of the Finance Committee indicates that it is planned that the GRMS system will be deployed to Headquarters (HQ), Regional Offices and Pilot Offices in November 2012, and progressively deployed to other decentralized offices from February to May 2013.
- iv) **Action 7.24** (*Implementation of IPSAS as key initiative for the finance division and FAO as a whole*). Compliance with International Public Sector Accounting Standards (IPSAS) is also a part of the GRMS project. The same GRMS progress report notes that the first "dry run" of generation of IPSAS-compliant Financial Statements is scheduled for July-October 2013, the second "dry run" and auditing of IPSAS opening balances scheduled for July-September 2014, and the closure of 2014 and generation of first IPSAS-compliant Financial Statements is scheduled for January-March 2015.
- v) **Action 7.2** (*Design the new Planning and Budgeting Model, define the new structure of PWB, outline the new standard streamlined logical framework for "Projects" budgets and the requirements for the standardized new reporting system*). This action arises from the

² CL 140/10, para 78

³ Doc FC147/13 refers

Root and Branch review recommendation that a new planning and budgeting model be introduced. However, the review concluded that current IT systems are not able to support the new model due to the lack of integration of information across systems and the unavailability in any system of some essential information. It is necessary to complete the GRMS implementation before making further changes to corporate administrative computer systems and, whilst some planning has taken place, the main development effort of this new model and resulting computer system will occur once the GRMS system is in place.

- vi) **Action 3.54** (*Full Implementation of Enterprise Risk Management (ERM) Structure and systems*). This is a major project, the objective of which is to enable Management to identify, prioritize, and manage strategic, financial, operational and reputational risks in the Results Based Management (RBM) framework of the MTP/PWB, the functional hierarchy, field projects and business improvement projects. As reported to the Governing Bodies earlier in 2012⁴, this action was temporarily suspended in January 2012 in order to reassess the integration of ERM in the RBM framework in light of experience, and take into account the findings of recent reviews of the Office of the Inspector-General. It is scheduled to complete in late 2013.
- vii) **Action 3.32** (*Culture change - Implementation of the vision*). The approach to achieving a change in the culture of the Organization is changing in 2012. Prior to 2012, this was based on establishing a central team to take forward culture change. However, whilst appropriate in the early stages to engage with employees and to develop an internal vision, sustained culture change will only happen when employees at all levels are fully engaged, including senior managers. Culture change activities will be based on this new approach, but it is inappropriate to consider a target end date for culture change. Instead the focus will move to a full mainstreaming of culture change into the ongoing work of the Organization.
- viii) **Action 3.88** (*Introduce benchmarks and a performance based reporting and monitoring system for decentralized offices*) The successful implementation of this action serves the scope of strengthening the monitoring and oversight functions through the Decentralization process (see CL 145/3 – section II, A). Whilst good progress has been achieved in improving the detection of poor performance, as well as dissemination of good practices, additional time will be necessary for this action to continue learning appropriate lessons on relevant data collection, system solutions and procedures and to sensitise and train those involved in the new benchmarking process. The target date for completion is middle 2013.
- ix) **Action 3.103** (*Review reorganization with a view to further improvements*). This relates to a review of the changes to the Headquarters structure that were implemented in 2010. This action was scheduled in the IPA to be undertaken in 2012 when, based on a critical review, structural adjustments were introduced in Headquarters. However, further changes remain under consideration, and this action will extend into the first half of 2013.
- x) **Action 3.66** (*Revise competency profiles for Regional Representatives, sub-regional coordinators and FAORs, including competencies in management*) Completion of this action is dependent upon the introduction of a FAO Competency Framework, planned to be completed by December 2012. There has been a delay in the development of generic job profiles and the revised end date is now April 2013. Updates on this and other HR activities are reported to the 147th Session of the Finance Committee⁵.

⁴ Doc FC 143/10 and CL144/10, para 15, refer

⁵ Doc FC147/11

IPA Actions to be further discussed with Members

10. The review of open IPA actions highlighted some actions that need to be further discussed with Members. For each of these actions background information is provided, together with a management proposal to Members on how best to move forward.

Action 3.48 (*Implementation of Root and Branch Review (RBR) Action Plan*)

11. The original IPA programme called for a Root and Branch review to be undertaken and a RBR Action Plan developed and implemented. This action related to implementation of the resulting RBR Action Plan. However, following completion of the Root and Branch review, a separate RBR Action Plan was not developed – instead each of the 37 recommendations of the RBR were added to the IPA programme, increasing the IPA programme from 235 actions to 272 actions. This action is therefore duplicative of the RBR recommendations that were integrated into the IPA programme.

Management Proposal - Management proposes to consider IPA action 3.48 closed, subject to member agreement.

Action 3.71 (*Introduce dual grading for P5/D1 and D1/D2 posts*)

12. FAO is a member of the International Civil Service Commission (ICSC), but this IPA action does not comply with the ICSC common system rules.

13. However, this topic has been considered by the ICSC. In 2003 the ICSC tested a “one broad banded model system” by which UN grades would be grouped into broad salary bands with no steps between the minimum and maximum pay for the band. The ICSC identified three bands (i) P-1 and P-2, (ii) P-3, P-4 and P-5 and (iii) D-1 and D-2. IFAD, UNAIDS, and UNDP participated in the pilot study which started in 2004 and continued for four years until it was dropped.

14. In 2008, FAO conducted research on best practices in the UN regarding dual grading for D-1 and D-2 posts. Nine UN agencies responded to FAO but none of the UN sister agencies had dual grading for D-1 and D-2 posts. The only dual-grading commonly accepted within the UN Common System is for the P1 and P2 as entry level positions.

15. However, although proposing to close this IPA action, management intends to consult with other UN agencies to explore mechanisms for creating greater flexibility in post grades.

Management Proposal - Management proposes to consider IPA action 3.71 closed but not implemented in the manner foreseen by the IPA, subject to member agreement, and on the basis that further consultation with other UN agencies will be undertaken during 2013.

Action 3.11 (*In addition to capital account and TCP, introduce provisions for roll-over of up to five percent of the assessed budget, between biennia, in order to smooth income and expenditure, thus reducing wasteful and inefficient transactions*)

16. It is considered that the transformational change initiatives relating to internal control and accountability (see CL 145/3 section II.B) and improved planning and monitoring within divisions to spend on a regular basis (see CL 145/3 section V) will achieve this objective without the need to resort to a general facility to carry forward up to 5% of the assessed budget between biennia. Therefore, it is considered that there is no benefit to develop a general facility for carryover of up to 5% of the assessed budget at this time, while leaving in place the existing more specific facilities for Capital Expenditure, Security Expenditure and the TCP.

Management Proposal - Management proposes to consider IPA action 3.11 closed, but not implemented in the manner foreseen by the IPA, subject to member agreement.

Action 6.2 (5% budget to DDGs for interdisciplinary work)

17. The budgeted resources for interdisciplinary work (Multidisciplinary Fund (MDF)) were increased from USD 4.5 million to USD 11.3 million in the Further Adjustments to the PWB 2012-13, equivalent to 1.1 percent of the net appropriation, which was welcomed by the Council. Meanwhile, the draft strategic objectives proposed in CL 145/4 “Reviewed Strategic Framework and outline of the MTP 2014-17” are inter-disciplinary by nature and closely linked to FAO’s Global Goals. This is in line with IEE recommendation 3.1 included in the IPA as “early action” 6.2. As set out in CL 145/3 Transformational Changes in 2012-13 (section II.C), the MDF will be used during 2012-13 to strengthen the programme of work at headquarters and in decentralized offices in areas primarily related to the proposed cross-cutting Strategic Objectives and programmatic regional initiatives emerging from the Strategic Thinking Process. Therefore, it is not considered productive to assign a specific percentage of the FAO budget to interdisciplinary work in future PWBs.

Management Proposal - Management proposes to consider IPA action 6.2 closed, but not implemented in the manner foreseen by the IEE, subject to member agreement.

Action 7.22 (Carry out a major overhaul of the FAO Manual, reviewing and publishing a simplified framework, so that staff in all locations can understand-and comply with FAO rules and regulations)

18. The Office of the Legal Council has expressed reservations at the proposal of re-writing the Administrative Manual for the sake of simplicity, and at the idea that it is possible to distinguish substantive rules from procedural ones. It is noted that, since many provisions of the Manual are of an inter-agency nature and address issues that are of a complex nature, any initiative aimed at “rewriting” and simplifying them should be envisaged with utmost prudence. This could be a source of difficulties and liabilities for FAO in the event of contradiction between simplified and reference versions. Legal reasons justify this prudence since under the case law of the ILOAT⁶ the author of a rule is responsible for its content and liable for situations of conflicting versions.

19. There are alternative ways to make the Manual more accessible and to address the issue of better understanding of, and compliance with, FAO rules and regulations. These include rendering accessible to all FAO employees worldwide more effective search tools and offering the availability of resources dedicated to provide information to staff on the meaning of rules. It is noted that the above approach is in line with the practices of other organizations of the System.

Management Proposal - Management proposes to consider IPA action 7.22 closed but not implemented in the manner proposed by the Root and Branch Review, subject to member agreement

Action 3.84 - Clearly distinguishing between well established offices and any plans for additional new offices, rationalise coverage of country offices following results of review utilising agreed criteria, taking into account both existing and potential locations, efficiency, projected cost savings and cost/benefit analysis.....

20. During 2009, the Secretariat provided an analysis of the country coverage based on the application of the criteria proposed in IPA action 3.84. Despite considerable discussions at Regional Conferences, the CoC-IEE Members could not reach a consensus. During 2011 management prepared a Vision for the Structure and Functioning of Decentralized Offices, and the actions arising from that Vision. This document, that will be the basis for further discussions on decentralization during 2012-13, does not foresee the use of a criteria-based review of country coverage and the above-described way forward has been endorsed by the 2011 Conference. Furthermore, on the basis of the new strategic thinking process based, amongst others, on regional needs and given the Director-General’s focus over the decentralization and transformational processes, the use of criteria for rationalizing country coverage is deemed to be not further pursued as Country Office rationalization will be achieved differently.

⁶ ILO Administrative Tribunal

Management Proposal - Management proposes to consider IPA action 3.84 closed but not implemented, subject to member agreement.

21. During the review it was also noted that some IPA actions that had been indicated as completed, had either been subject to subsequent review, or had been implemented in a manner that was not entirely consistent with the approach recommended in the IPA action. For each of these actions background information is provided, together with a management proposal to Members on how to best move forward.

Action 7.23 (*Create a Business Improvement Unit, including streamlining/process improvement, and business improvement initiatives*)

22. The Business Improvement Unit (BIU) was established in late 2010, but was abolished pursuant to the Adjustments to the PWB 2012-13 (CL 143/3). Following a start-up period, it became apparent that the identification by the BIU of opportunities for process and business improvements had diluted accountability and resulted in a transfer of responsibilities from the relevant units to the BIU, thereby adding bureaucracy to the Organization with additional posts carrying out functions that should have been undertaken by the concerned units, such as the Human Resources, Finance and Procurement services. In addition, considering the cost associated with the running of the BIU, a decision was taken to abolish it and to favour instead an approach similar to that taken by the Mexican Government in their initiative⁷, which places more accountability on the managers, and which will provide in a more efficient and cost effective manner the process and business improvements sought by the IPA.

Management Proposal - Management proposes to consider IPA action 7.23 closed but not implemented in the manner proposed by the Root and Branch review, subject to member agreement. This proposal is also made on the understanding that the spirit of this IPA action will be pursued and mainstreamed into the work of the Organization through an approach similar to that adopted by the Mexican Government in the initiative referred to in the document "Towards more effective and dynamic public management in Mexico", issued in 2011 by the OECD within their Public Governance Reviews.

Action 7.19 (*Change Translation Service Model. Translation service to be funded by Regular Programme*)

23. This action was marked as completed, and the new translation service model has been developed by management and approved by the 135th Session of the Finance Committee and the 140th Session of the Council. However, the model has not yet been fully implemented mainly because some actions require significant budgetary shifts. The full implementation in the 2012-13 biennium is delayed pending preparation of the PWB 2014-15.

Management Proposal – Management proposes to consider IPA action 7.19 closed, subject to member agreement.

Action 3.55 (*A budget will be set aside for technical publishing (paper and web) in each FAO language. A panel of users of technical documentation in each language will decide on the application of funds for translation (this is in addition to the existing budget for main meeting documentation)*)

24. Although FAO acknowledges that improvements are required on a long-term basis in terms of the availability and accessibility of FAO technical information in all official languages, based on past experience, the establishment of separate funds by language is not likely to achieve the desired result. Furthermore, Management believes that better planning of the language requirements of documents

⁷ "Fewer Rules, Better Results", Mexican Ministry of Public Administration, 2010

that includes targeting certain documents for publication in relevant languages represents a “value for money” approach to the area of language coverage of technical publication. In this regard, a Publishing Planning Tool, which will inter alia facilitate the determination *ex ante* of language requirements for all publications, has been developed and will be implemented across the Organization in the first quarter of 2013.

Management Proposal - Management therefore proposes to consider IPA action 3.55 closed but not implemented in the manner foreseen by the IPA, subject to member agreement.

Action 3.57 (*Separate mirror websites to the FAO website will be developed for Arabic and Chinese*)

25. A sustainable approach was taken to the implementation, addressing the root causes of language coverage imbalance that has been leading to parts of the FAO web site being less accessible to Arabic and Chinese speakers. FAO already has significant top level content available in Arabic and Chinese. In addition, a large part of the available content is in dynamic database driven information systems, with content extending beyond www.fao.org itself, and a large amount of new content is posted daily, making building mirror websites a prohibitively costly and complex approach with open-ended commitments.

26. Instead, the IPA effort concentrated on developing possibilities for the option of providing automated gist translation online, available through a central service for both searches and content. The role of multilingual thesauri was also examined. Automated translation software is being incorporated into the technical data repository infrastructure to be made available to web data publishers. Continued collaboration between various units around FAO in machine translation is foreseen to further expand the work carried out with the IPA funds.

Management Proposal - Management therefore proposes to consider IPA action 3.57 closed but not implemented in the manner foreseen by the IPA, subject to member agreement.

27. A summary of the above actions and associated management proposals appears in table 1:

Table 1 – IPA actions and management proposals

IPA Action		Mgt. proposal
3.48	Implementation of Root and Branch Review (RBR) Action Plan	Closed
3.71	Introduce dual grading for P5/D1 and D1/D2 posts	Closed but not implemented in the manner foreseen by the IPA
3.11	In addition to capital account and TCP, introduce provisions for roll-over of up to five percent of the assessed budget, between biennia, in order to smooth income and expenditure, thus reducing wasteful and inefficient transactions	Closed but not implemented in manner foreseen by the IPA
6.2	5% budget to DDGs for interdisciplinary work	Closed but not implemented in the manner foreseen by the IEE
7.22	Carry out a major overhaul of the FAO Manual, reviewing and publishing a simplified framework, so that staff in all locations can understand and comply with FAO rules and regulations	Closed but not implemented in the manner proposed by the RBR

3.84	Clearly distinguishing between well established offices and any plans for additional new offices, rationalise coverage of country offices following results of review utilising agreed criteria, taking into account both existing and potential locations, efficiency, projected cost savings and cost/benefit analysis.....	Closed but not implemented
7.23	Create a Business Improvement Unit, including streamlining/process improvement, and business improvement initiatives	Closed but not implemented in manner proposed by RBR
7.19	Change Translation Service Model. Translation service to be funded by Regular Programme	Closed
3.55	A budget will be set aside for technical publishing (paper and web) in each FAO language. A panel of users of technical documentation in each language will decide on the application of funds for translation (this is in addition to the existing budget for main meeting documentation)	Closed but not implemented in the manner foreseen by the IPA
3.57	Separate mirror websites to the FAO website will be developed for Arabic and Chinese	Closed but not implemented in the manner foreseen by the IPA

28. Subject to Member agreement with the management proposals there will be 10 IPA actions carrying forward from 2012 to 2013. However, in addition to these 10 IPA actions, there are three IPA actions that remain open, but are for the attention of Members.

Action 2.18 (*The Council shall make a clear recommendation to Conference on the Programme and Budget Resolution including the budget level*)

29. The target date for this action was revised from June 2011 to June 2013 (a Council session preceding the 38th FAO Conference), as the action was not completed in 2011 because Council did not recommend a budget level to the 37th Session of the Conference. At its 144th Session, the Council urged that the draft Programme of Work and Budget 2014-15 be made available to Members by 31 January 2013, and updates on this request will be discussed at the 2012 fall Governing Bodies sessions.

Action 2.100, c) (*The FAO Conference will consider for approval desirable qualifications for the post of Director-General developed by the CoC-IEE in 2009*)

30. The target date has been set to 30 June 2013, as this action was not implemented in 2009 for lack of consensus among the membership. It is recalled that at its 144th session, the Council requested that this action be completed. The Independent Chairperson of Council is facilitating a process through which proposals for desirable qualifications for the post of Director-General are being developed and considered by Members. In order for this action to be successfully completed by the 38th FAO Conference, a consensus should be reached at the 146th session of Council

Action 4.4 (*Any changes found desirable in the size and regional representation in the membership of the Council*)

31. The target date has been revised to 30 June 2013 as this action was not implemented in 2009 for lack of consensus among the membership. Resumed in 2010, negotiations continued in 2011, but

consensus was not reached at the 37th Session of the Conference. In order for this action to be successfully completed by the 38th FAO Conference, a consensus would need to be reached at the 146th session of Council.

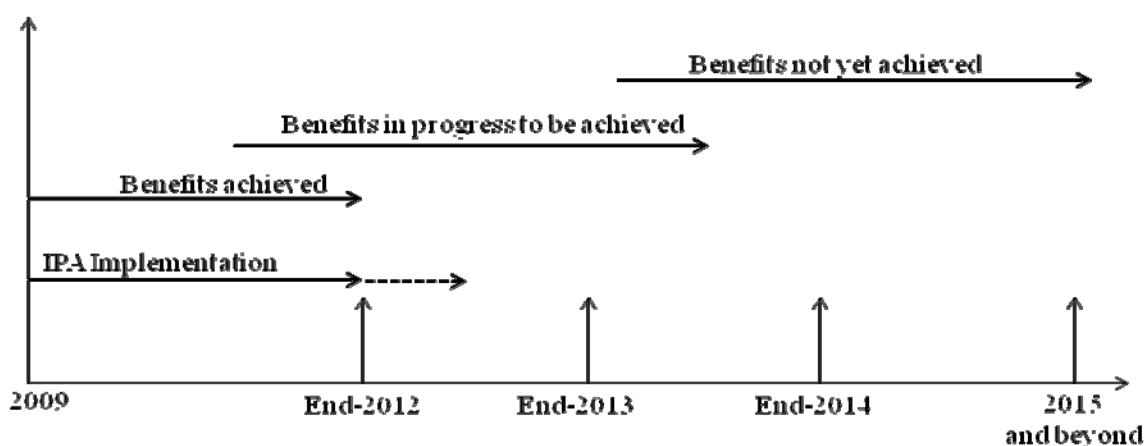
III. Benefits Realization

32. Successful completion of the FAO renewal process requires the realization of tangible IPA benefits and in early 2012 an IPA benefits realization initiative was launched based on a “bottom-up” identification of accrued and accruing IPA benefits.

33. More than 300 IPA benefits have been identified. It is important to distinguish major and minor benefits and to categorize benefits in order to be able to report on the benefits accruing in different areas of the Organization’s work impacted by the reform – Governance, Planning, Delivery and Assessment.

34. It is also important to categorize by time to indicate those benefits that have already been delivered, those in the process of delivery, and those that will deliver in the future. Benefits realization typically occurs following completion of the associated IPA action, and there is a time lag between completion of the IPA programme and realization of benefits as indicated at figure 1.

Figure 1 – relationship between IPA programme and IPA benefits



35. A draft benefits catalogue has been developed and all benefits identified have been attributed to a benefits framework. A pictorial view and description of the FAO benefits realization framework areas is available for reference at Annex 1.

36. The draft benefits catalogue categorizes the benefits into whether they are financial or non-financial, classifying the non-financial benefits into clearer purpose, stronger support, and improved delivery. Benefits are further classified as enabling the improved provision of inputs, those that enable the improved delivery of outputs, and those that enable the improved achievement of positive outcomes by the organization.

37. During the remaining months of 2012, senior managers will be assigned the responsibility for ensuring that benefits not yet realized are fully realized in each area of the benefits framework. This will involve developing a realization plan for each major benefit, assessing the risks to successful delivery, and tracking the measurable indicators to ensure each benefit is realized.

38. The result of this work will be a definitive IPA benefits catalogue that will describe the IPA benefits associated with implementation of the IPA programme.

39. IPA benefits in progress or to be achieved in the next biennium will be mainstreamed into the overall FAO results and will be reported on through normal corporate processes post July 2013.

40. Some examples of IPA benefits achieved, in progress or to be achieved, are described below and more detailed information is provided at Annex 2.

IPA action 7.16 (*Define the plan for registry management*) The objective of this project was to modernize FAO's records management so that better service is provided at lower cost. The project achieved the financial benefit by reducing the number of registry posts and generated efficiency savings of USD 1.1 million in 2010/11.

IPA action 3.96 (*Delaying of "D" level posts*). This exercise started during the biennium 2008-09. The objective was to achieve substantial efficiency savings, to streamline communication by removing hierarchical barriers and to identify, realign and strengthen technical capacity for a more result-oriented management. A total of 40 "D" level posts have been abolished at headquarters, 13 posts were abolished in 2008-09 and 27 abolished in 2010-11.

IPA action 3.6 (*Introduction of a revised implementation performance results based management monitoring system and report*). The project had three objectives: (i) to provide the Governing Bodies with timely information to guide the administrative and programmatic priorities of the next MTP/PWB; (ii) to improve external confidence in FAO by explaining more clearly successes and challenges; and (iii) to improve operational performance by providing management with new insights. FAO has been able to demonstrate and report its performance more effectively, gaining Members confidence. The improved planning, prioritization and on-going monitoring of results is also contributing to increased organizational effectiveness.

IPA action 3.90 (*Upgrade of ICT infrastructure and Information Systems Functional Support for Decentralized Offices*). The project focus was on improving telecommunications connectivity in decentralized offices, enabling high-definition videoconferencing services in Regional and Sub-regional offices, standard definition videoconferencing services in FAORs and building a Global ICT support structure for decentralized Offices. The project has upgraded the telecommunications network capacity for all 86 decentralized offices. Furthermore, the upgrade of the Internet connections of 70 decentralized offices has been completed in order to provide improved access to a wide range of new-generation applications which are bandwidth intensive, such as videoconferencing, knowledge sharing and collaboration tools. An IT environment to enable decentralization of the Organization has been put in place. Decentralized offices have more effective access to a wide range of FAO applications as well as enhanced knowledge sharing capabilities. Enhanced inter-office collaboration has been provided enabling improvements in FAO's efficiency at world-wide level by reducing the need for travel and simplifying inter-office communications.

IPA action 3.70 (*Introduce an objective staff appraisal system linking staff performance to organizational objectives based on realistic performance targets and objective assessment criteria*). Launched in 2010 on a trial basis the Performance Evaluation and Management System (PEMS), sought to introduce an objective staff appraisal system. PEMS was implemented in January 2012 as the official tool for managing the performance of all staff on a fixed-term and continuing contract, and General Service staff are now also subject to performance appraisals. With the implementation of PEMS, initial benefits have been derived by the Organization but future benefits will be ongoing. The medium to long term impact envisaged from the continued implementation of PEMS, linking staff performance to organizational and unit-specific results will provide comprehensive support to the new results-oriented organizational culture.

IPA action 7.24 (*Implementation of IPSAS as key initiative for the finance division and FAO as a whole*) and
IPA action 7.25 (*Enhance Oracle ERP related functionalities to meet IPA requirements*) and
IPA action 3.42 (*Development and deployment of a field version of oracle adapted to FAORs' needs*)

The global resources management system (GRMS) was created from a number of existing initiatives which were combined into a single programme to improve coordination, share resources and minimise costs. The combination of the initiatives allowed GRMS to increase the tangible benefits. This was mainly due to the decision to deploy Oracle to the field rather than to implement separate systems to replace FAS (Field Accounting System) and ATLAS (Travel system).

The main benefit resulting from the GRMS initiative is that, for the first time in its history, FAO will have a single corporate ERP system deployed in all its locations and applicable to all its operations.

Also for the first time, these operations will all be recorded and reported through IPSAS compliant modules thereby increasing, for the benefits of all its stakeholders, FAO's transparency and accuracy under financial and budgetary stand view points.

The GRMS also enables improved decentralization and capacity building processes in the field, and provides the enabling environment to support many of the current FAO initiatives of a transformational nature.

IV. Mainstreaming

41. The majority of IPA actions have been completed and are already mainstreamed into the work of divisions and departments. This process is ongoing and will also include all IPA actions that will complete by, or shortly after, December 2012.

42. What remains is to mainstream the large and complex IPA actions that will extend into 2013, and to mainstream benefits realization beyond 2012 to ensure that delivery and reporting on future IPA benefits are fully integrated into the regular work of the Organization.

Mainstreaming IPA actions extending into 2013

43. Of the 10 IPA actions indicated at Section II above as extending into 2013, 5 relate to large and complex projects that need to be mainstreamed into the work of the Organization in 2013.

44. Mainstreaming **IPA action 3.42** (*Development and deployment of a field version of oracle adapted to FAORs' needs*) relates to the plans to deploy the GRMS system to decentralized offices in the first half of 2013, and plans to provide ongoing support thereafter.

45. Implementation to decentralized offices follows a phased approach, in which three deployment "waves" will take place from February through May 2013 to introduce the GRMS system to all decentralized offices. Deployment is being managed by and through the Regional Offices and extensive training is currently taking place to ensure that Regional Offices can also provide ongoing support to the Country Offices in their Region following deployment. Further details are available in the GRMS progress report provided to the November 2012 Session of the Finance Committee (FC 147/13).

46. Mainstreaming of **IPA action 7.24** (*Implementation of IPSAS as key initiative for the finance division and FAO as a whole*) is also linked to the GRMS system, and a full IPSAS compliance plan and schedule of activities is contained in the GRMS programme plan. This comprises activities relating to the procedures and templates for ensuring and finalising IPSAS-compliant financial statements. Further information on this is also available in document FC 147/13.

47. **IPA action 7.2** (*Design the new Planning and Budgeting Model, define the new structure of PWB, outline the new standard streamlined logical framework for "Projects" budgets and the requirements for the standardized new reporting system*) mandates the introduction of a new planning and budgeting model reflecting the Root and Branch recommendations to: (i) improve the effectiveness of the planning and budgeting processes by integrating all activities and all funding sources, (ii) make the planning and budgeting exercise a result oriented management process to create organizational alignment with strategic objectives, (iii) strengthen transparency and accountability towards Members in the use of resources, and (iv) enforce financial discipline and control.

48. The approach to mainstreaming the above reported activities is linked to some of the transformational changes being introduced during 2012-13, including the ongoing streamlining of administration (see CL 144/3 and 145/3). It will also be incorporated with the preparation of the Medium Term Plan 2014-17 and PWB 2014-15 (see CL145/4).

49. Furthermore, the introduction of the new planning and budgeting model will require enhancement of FAOs suite of enterprise resource planning systems (Oracle, FPMIS, PIREs, eBMM etc) and the availability of some essential information (e.g. local commitments, human resources effort, key performance indicators). It is necessary to complete the GRMS implementation before making further changes to corporate administrative and operational systems and the further integration of information across systems will occur once the GRMS system is in place.

50. With reference to **IPA Action 3.54** (*Full Implementation of Enterprise Risk Management (ERM) Structure and systems*), it should be recalled that its aim is to enable Management to proactively identify, prioritize, manage and monitor the full range of risks to the Organization, whether strategic, financial, operational or reputational, embedded in four areas of management: the results-based framework of the MTP/PWB, the functional hierarchy, field projects and business improvement projects. The Enterprise Risk Management team will also be available as a rapid response service to help resolve particular problems as they arise.

51. Achievement of these aims by December 2013 will be demonstrated by the establishment of a risk governance mechanism, incorporation of ERM into key decision points in the Medium Term Plan, the Programme of Work and Budget and the project cycle, accessible risk management tools, and risk reports provided to the Membership and to management.

52. With reference to **IPA action 3.32** (*Culture Change – Implementation of the vision*), the approach to culture change is changing in 2012, from establishment of a culture change team to mainstreaming culture change activities, with no specific end date. This approach was proposed by the previous Culture Change project leader, Hafez Ghanem, and confirmed in the Mannot report⁸.

53. The FAO culture will evolve and change as a result of systemic initiatives, integrated into Organizational processes and change initiatives that reinforce behavioural changes. Committed leadership is the driving force behind creating and maintaining a high performance culture at FAO and the role of senior and middle managers is crucial to provide the enabling environment for continuous learning, knowledge sharing and interdisciplinary teamwork across all offices around the world so that the vast talent and knowledge available in the organization becomes fully utilized and shared. Equally important is the need to clearly communicate this to Members, strategic partners and employees throughout the organization.

54. A renewed emphasis will be placed on strengthening leadership accountability and ownership of the transformational change process underway, and fully mainstreaming the emerging new culture within the fabric of the organization, including:

- *Improved Director-General communications* - The Director-General has introduced improved mechanisms for communication and discussion with senior managers, staff and Members. These include:

⁸ CL 144/10 Web Annex

- a) regular Senior Management Meetings (SMM) of an interactive nature and dialogue among the SMM members on key corporate policy matters, such as strategic thinking, staff mobility and rotation, gender balance;
 - b) the Director-General's quarterly informal seminars with Permanent Representatives and other briefing workshops with regional groupings on various matters, from regional conferences to IPA to food price volatility to Rio+ 20;
 - c) the enlarged Programme and Policy Advisory Board (PPAB) including the Decentralized Offices and programme managers at D-1 and above; and
 - d) enhanced communications with staff through InTouch and Permanent Representatives through the improved Permanent Representatives Website and the new monthly bulletin.
- *Strengthening accountability for results at all levels including the development and approval of a rationalized, prioritized and simplified Strategic Framework*
 - *Strengthening team-working and collaboration, especially the strengthening of multidisciplinary teams*
 - *Review FAO policies, systems and processes to improve organizational performance and to reduce unnecessary bureaucracy*
 - *Integrate and mainstream culture change management and associated methods and tools in FAO processes and normal work practices as appropriate*
 - *Integrate and mainstream culture change monitoring and evaluation into internal FAO systems*
 - *Establish routine feedback mechanisms on FAO culture and achievements from external stakeholders, such as member countries and donors.*

IPA Benefits Mainstreaming

55. Section III above makes reference to the benefits framework and areas impacted by the delivery of IPA benefits, and reports that benefits in progress, or to be achieved, will be mainstreamed into the overall FAO results based operational and reporting mechanisms in 2013.

56. The key mechanism for the mainstreaming of IPA benefits relates to the identification of accountable senior managers who will take responsibility for delivering, as well as reporting on, benefits within individual areas of the benefits framework.

57. Furthermore, all major benefits will be aligned to the reviewed strategic framework and new Medium Term Plan 2014-17, and the delivery and monitoring of the benefits realization will be mainstreamed within relevant results-based work areas of the Organization. Once integrated within each work area, under the responsibility of the relevant senior manager, they will also become integrated within the Organizations regular corporate reporting processes post July 2013.

V. IPA Budget and Expenditure

58. The approved budget for 2012-13 was (net) of USD 40.17 million⁹ (gross costs of USD 50.72 less savings of USD 10.55 million) to fund implementation of the IPA. The 2012 budget (gross) allotted to IPA projects was USD 28.48 million.

⁹ CL 144/10, Page 23, 2012-13 IPA Budget

2012 Expenditure as at end August 2012

59. Management has continued to monitor the overall IPA expenditure for 2012 and has summarized (see Table 2) the 2012 IPA projects expenditure. As at end August 2012 IPA expenditure (recorded expenditures and commitments) totalled USD 16.48 million (58%), leaving a balance of USD 12.00 million to be expended during the remainder of 2012 (USD 28.48 million less USD 16.48 million).

60. Approximately 70% of the 2012 balance of USD 12 million is anticipated to be expended on activities within the IPA areas of Governing Body Reform, Reform of Programming, budgeting and RBM, Procurement, Information Technology, Culture Change and Human Resources projects. The major elements comprise:

- Governing body reform – support costs for governing body meetings, informal seminars and regional conferences related to translation, interpretation and governance. Significant expenditure on these activities is anticipated between November – December 2012.
- Reform of Programming, budgeting and RBM - **Action 3.88** (*Introduce benchmarks and a performance-based reporting and monitoring system for decentralized offices*) – support costs for benchmarking functional design and review of preliminary data sets on country offices for a balanced score card that provides indicators highlighting the performance of the main business processes.
- Procurement - **Action 7.8** (*Empowerment of regional and local officers in managing local procurement*) - Funds will be utilized for continued implementation of training on Manual Section 507 on Letters of Agreement and 502 for regional and local officers.
- Information Technology - **Action 3.90** (*Upgrade of ICT infrastructure and Information Systems Functional Support for Decentralized Offices (DOs)*) - Contract renewals for connections to DOs, Internet service provision costs, costs for installation of satellite dishes and purchase of telecommunications equipment, together with human resources.
- Information Technology - **Action 7.26** (*Design of the Management Information System*) - High-level expert support for definition and implementation of the Data Management Framework and support for continued development of Business Intelligence capabilities, plus costs of additional software licenses.
- Culture Change - **Action 3.32** (*Culture Change Implementation of the vision*) – a carry-forward of budget is anticipated from 2012 to 2013 when the mainstreamed actions will be fully introduced.
- Human Resources - **Action 3.61** (*Establish an incentive based rotation policy in HQ and between HQ and the decentralized offices with clear criteria*) – The costs of staff rotations in excess of the 2012 Organization target will be charged to the IPA. The organization target for 2012 staff rotations is 50 (25 will be charged to the staff costs account, as per normal practice, and the balance above 25 will be charged to the IPA in December 2012.
- Human Resources - **Action 3.62** (*Establish a joined-up and consistent system for the recruitment and development of young professionals, particularly from developing countries*) - Monthly costs for the Junior Professionals for the remainder of 2012.

Table 2 – 2012 IPA Project Expenditure Summary (USD millions)

IPA Project	2012 Budget	Expenditure to 31/8/12	Current Balance
Project 1. Governing Body Reform	1.41	0.248	1.162
Project 2. Audit	0.12	0.058	0.062
Project 3. Evaluation	1.005	0.705	0.3
Project 4. Ethics	0.723	0.333	0.39
Project 5. Reform of Prog, bdgt and RBM	1.245	0.458	0.787
Project 7. Resource Mobilization and Management	0.67	0.4	0.27
Project 12. Partnerships	1.06	0.282	0.778
Project 13. Procurement	2.125	0.649	1.476
Project 14. Travel	0.15	0.048	0.102
Project 15. Translation and Printing	0.09	0.012	0.078
Project 16. Registry	1.3	1.112	0.188
Project 19. Telecoms Connectivity to DOs	2.5	1.079	1.421
Project 20. Oracle R12	3.16	3.512	-0.352
Project 21. Other IT Actions	1.403	0.595	0.808
Project 22. Enterprise risk management	0.4	0.252	0.148
Project 23. Culture Change	0.987	0	0.987
Project 24. PEMS	0.7	0.38	0.32
Project 25. Competency Framework	2.068	1.456	0.612
Project 26. Mobility	1.4	0	1.4
Project 27. Other Human Resources Actions	3.48	3.19	0.29
Project 28. Mgmt follow-up	1.989	1.453	0.536
Project 29. IPA Communications	0.496	0.262	0.234
Total	28.481	16.484	11.997

61. A full financial report for 2012 will be provided in the 2012 annual IPA progress report which will be presented to the Governing Bodies in Spring 2013. This report will also include the budgeted costs for IPA activities in 2013.

VI. Future Reporting

62. Management will present to the 2013 Governing Bodies sessions leading to the 38th FAO Conference the “2012 Annual Report on IPA implementation”.

63. The contents of the 2012 annual report will ensure compliance with Conference resolution¹⁰ 6/2011 and will also cover the requests made by Council at its June 2012 session¹¹, for management to present:

- i) a detailed report of IPA actions not completed by end 2012 to a Council session preceding the 38th Conference Session;

¹⁰ C2011 REP – Resolution 6, point 5 refers: the FAO Conference...”*Decides that a complete progress report on IPA implementation will be submitted, through the Council, to the 38th Session of the FAO Conference in 2013*”

¹¹ CL144 REP, Paras 10 and 16 refer

- ii)* a document on the main aspects of “Post IPA Implementation Arrangements” for consideration by the Programme and Finance Committees and Council no later than 2013.

64. The 2012 annual report will look back at the work undertaken in the IPA programme, and the results and benefits obtained. The report will provide fully detailed action-by-action information of a quantitative nature reflecting the implementation outcome of IPA actions, as well as detailed financial and budgetary information required by Members in order to fulfil their oversight role.

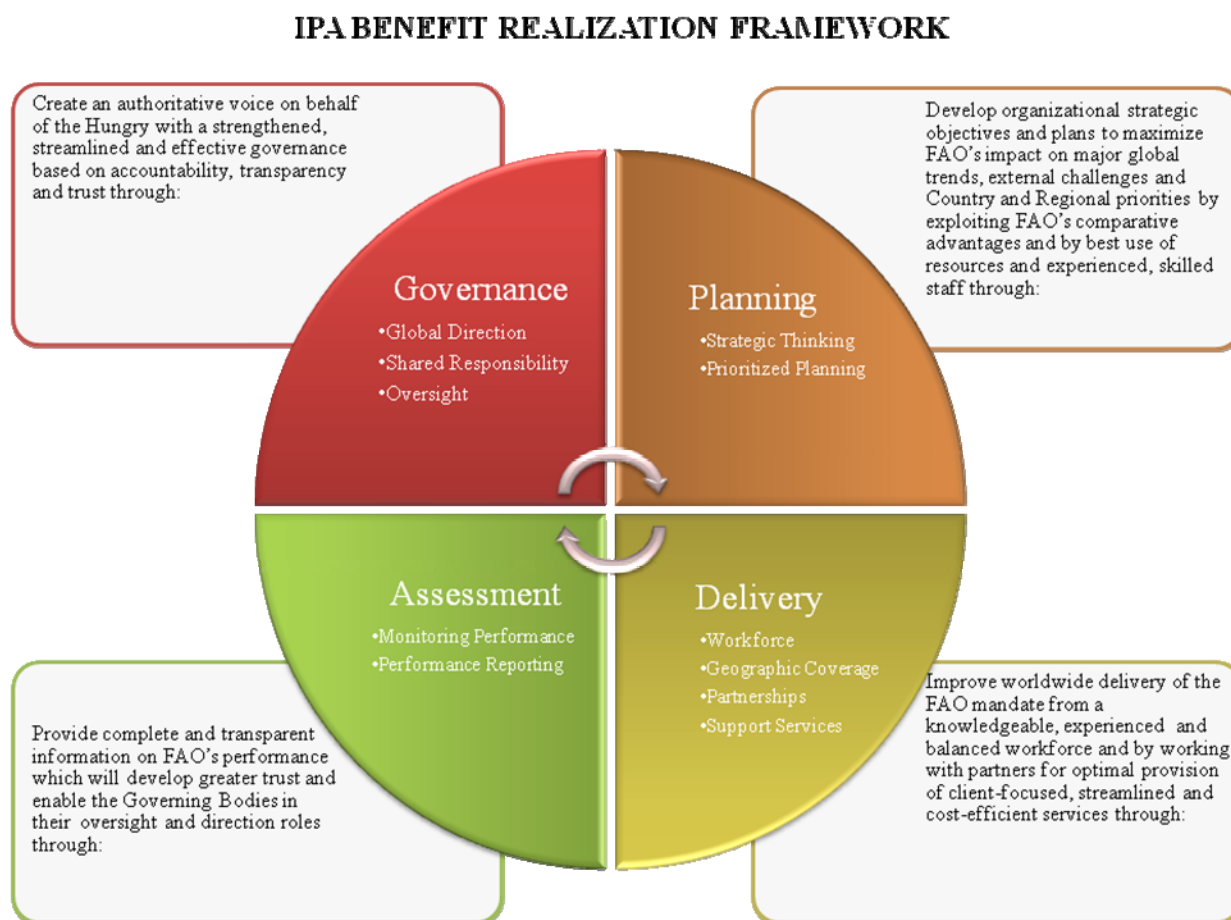
65. The report will also provide Members with the results of the benefits realization initiative, presenting a full account of the tangible benefits realized as a result of the IPA. It will consider these in the context of the IEE report presented in 2007, to provide information to assist Members in their determination of the extent to which the IPA has addressed the Organizational performance issues identified in the IEE.

66. The report will also look forward, and describe the arrangements in place to fully integrate and mainstream any major IPA actions remaining open at the end of 2012, and indicate how benefits not yet achieved will be mainstreamed into the regular work and reporting framework of the Organization.

Annex 1

IPA Benefits Realization Framework

1. Over 300 IPA benefits have been identified, and it is necessary to classify these benefits in order that they can be managed, monitored and reported on in a meaningful manner. This is the purpose of the benefits realization framework.
2. The first classification is by the area of work of the Organization that the benefit impacts, and four key areas of work have been identified - Governance, Planning, Delivery, and Assessment. These are the four quadrants of the framework illustrated in the diagram below.



3. Each of these quadrants is further divided into benefit areas as indicated by the text in each of the four quadrants. IPA benefits are being mapped to each of these areas so that members can be informed of IPA benefits that relate to, for example, the FAO workforce, Geographic Coverage, or Performance Reporting. The Appendix to this Annex provides more information relating to each quadrant of the framework.
4. It is necessary to distinguish between major and minor benefits, to provide clarity on the main impacts of the reform¹².
5. Members will also wish to know which benefits have already been achieved, which are in progress, and which are future benefits (and be informed on the associated risks and timeframes for delivery of future benefits)

¹² Information on all 300 benefits will be available as an Annex to the IPA 2012 Annual Report

6. Benefits are also being categorized by whether they impact on FAO's inputs, outputs or outcomes.
7. Although the FAO reform was not primarily a cost reduction exercise, the categorization of benefits into financial and non-financial provides information which may be helpful in assessing the return on investment of the FAO reform.
8. Finally, it is important for the management and monitoring of benefits that key indicators are documented that define in tangible terms when a benefit has been achieved.
9. These are the main elements of the benefits framework against which IPA benefits are being classified. This work will complete in 2012, together with the identification of accountable managers to take forward delivery of and reporting on IPA benefits not yet achieved.
10. In order to aid Members to compare the IPA benefits accrued/accruing with the aspirations inherent in the IPA actions, and how these relate to the weaknesses identified by the IEE, the 2012 IPA Annual Report will provide appropriate linkages.

Appendix to Annex 1

Description of the four quadrants of the benefits framework

1. Governance (Rebuilding FAO governance)

The Governance area focuses on rebuilding FAO's governance with an emphasis on a strengthened direction, improved effectiveness and increased trust. IPA benefits within the governance area are categorized as contributing to one or more of the following elements:

- Enhanced policy coherence within FAO and amongst multilateral organizations and partners
- Increased political support on strategic issues
- Strengthened governance role of technical committees
- Improved dialogue and consensus building with enhanced trust and unity of purpose
- More transparent oversight and strengthened accountability
- Improved governing body reporting lines and greater clarity of individual committees responsibilities
- Increased effectiveness and efficiency of FAO's programme cycle.

2. Planning (Strategic thinking and prioritized planning)

The Planning area focuses on FAO's strategic thinking and prioritized planning processes by producing strategies and plans that address global challenges and regional needs in a prioritized and outcome based manner. IPA benefits within the planning area are categorized as contributing to one or more of the following elements:

- FAO's strategic objectives that are based on prioritized requirements at global, regional and national levels
- Plans that reflect effective, efficient and measurable contributions of FAO to achieving the strategic objectives within the resources available.

3. Delivery (Organizational strengthening)

The Delivery area concentrates on strengthening FAO as a whole by improving the management of FAO's resources and assets to improve delivery and maximize the impact of FAO services. IPA benefits within the delivery area are categorized as contributing to one or more of the following elements:

- A workforce working in an enabled environment with the necessary knowledge and experience to deliver better against FAO's mandate
- Improved country office project implementation through increased delegation
- All FAO offices better equipped with the key informational tools, processes and technology to improve delivery

- Improved access to knowledge at all FAO offices
- Increased capacity and experience in Country offices to deliver better
- Partnership thinking embedded in all aspects of planning and delivery
- Improved work with other UN agencies increasing the visibility of FAO
- Improved collaboration with Rome-based UN agencies
- Strengthened open-door policy to partners that share FAO's vision
- Strengthened partnership between FAO and the private sector, producer organizations and cooperatives
- Improved delivery through support services that are client focused, streamlined and provide services in the most cost efficient manner.

4. **Assessment** (Monitoring and feedback)

The Assessment area looks at the monitoring and feedback process by monitoring and reporting on performance, assessing staff and making them accountable, and providing transparent information to enable governance to perform its oversight and direction roles. IPA benefits within the assessment area are categorized as contributing to one or more of the following elements:

- Performance improved through more effective and streamlined internal governance
- Increased coverage and improved availability of tools to measure and monitor performance
- Greater understanding by staff of their individual contributions and accountability to the Organization
- Improved governing body decision making supported by more timely, credible and relevant performance information
- Improved, risk-driven, monitoring and assessment of Organizational performance.

Annex 2

Examples of FAO Benefits Realization

IPA action 7.16 (*Define a plan for the registry management, considering the shift to electronic and the outsourcing of resources*)

Background

1. The objective of this project was to modernize FAO's records and archives management so that better service is provided at lower cost. The scope comprised:
 - New *policies*, to promote knowledge sharing while protecting privacy and confidentiality;
 - New *processes*, to enhance finding of information while requiring less effort for filing;
 - New *technology*, to replace the current system with better tools providing, in particular, better search capabilities; and
 - New *support arrangements*, which provide savings through more efficient deployment while creating a more "value-adding" role for registry staff.

Financial Benefit achieved

2. The project achieved this benefit by reducing the number of registry posts and generated efficiency savings of USD 1.1 million in 2010/11. Savings of USD 2.46 million is estimated for 2012/13.

Other benefits realized

3. The project has also provided significantly improved tools for knowledge sharing and improved teamwork, including better access to information from decentralized offices. The new records management system developed under this action allows easier sharing of information within and between FAO teams, particularly across disciplines and locations. Staff saves time and effort finding information and connecting with colleagues who can contribute knowledge and ideas. An entire occupational group, the ex-registry staff, has been retrained and now participates more fully in the support of programme-related team activities. Finally, the digitization of FAO records reduced space requirements and the need for specialized record storage equipment.

Future benefits

4. Note: - A second phase of the project, to be executed during 2012-14, will deliver additional savings of approximately USD 1.0 million and provide process enhancements in three areas:
 - Strengthening of regional and country-level records management capacity, in particular in support of project operations;
 - Streamlining of recordkeeping for administrative and operational processes through integration of the records management system with the Global RMS Project (GRMS); and
 - Further strengthening of FAO teamwork through integration with collaboration workspaces.

IPA action 3.96 (*Delaying of D level posts*)Background

5. Delaying is the vertical compression of managerial levels of hierarchy, involving the removal of one or more layers of managerial or supervisory staff from the organization's payroll.
6. In FAO, delaying did not entail the removal of an entire layer of managerial positions but the reduction of a substantial number of positions at the D1/D2 level. The exercise started during the biennium 2008-09 with a consequent reduction also in the number of support staff assigned to such posts. Overall, this exercise was meant to (i) achieve substantial efficiency savings, (ii) streamline communication by removing hierarchical barriers, and (iii) to identify, realign and strengthen technical capacity for a more result-oriented management.
7. The delaying exercise focused on the revision of duties and responsibilities at the D1, P5 and P4 grades as well as the re-distribution of tasks previously performed at the D1 level.

Financial benefit achieved

8. A total of 40 "D" level posts have been abolished at headquarters, 13 posts were abolished in 2008-09 and 27 abolished in 2010-11.

Other benefits realized

9. The delaying effort gave an opportunity for the consideration and introduction of new organizational structures in many Departments. Subsequently, a number of Divisions and one Department defined new structures which were piloted for a defined period of time. This is linked to IPA action 3.103 (*Review reorganization with a view to further improvements*) in which the Director-General is considering further structural changes and associated abolition of posts at Director, Professional and General Service grades.
10. These pilots have defined models based on a team structure (i.e. teams headed by P-5 level staff) and roles within the teams were reviewed and aligned with the new structures. Extensive revision of duties, responsibilities and reporting lines at the D1, P5 and P4 levels was undertaken.

IPA action 3.6 (*Introduction of a Revised Implementation Performance Results Based Management monitoring system and report: Each report will cover the previous biennium and report on delivery, and targets and indicators of results as well as efficiency indicators for the functional objectives. This report will replace the current Programme Implementation Report*).

Background

11. The Programme Implementation Report (PIR) informs the membership about the work carried out by the Organization during the past biennium. As part of the established accountability documents, it provides information on the Organization's operational and financial performance, as planned in the Programme of Work and Budget. It covers resources and activities under the budgetary appropriations voted by the FAO Conference, and voluntary contributions provided by Members.

12. The PIR 2010-11 is the first under the new results-based programme planning, monitoring and reporting system put in place under the IPA in 2009. It documents progress in the achievement of the 54 Organizational Results in the PWB 2010-11 as measured by indicators and targets. It is based on a three-stage monitoring and evaluation process: regular monitoring of work plans by managers; a mid-term review of progress against planned outputs; and an end-of-biennium assessment of progress against targets.

13. The development of the new format for the PIR 2010-11 had three objectives: (i) to provide the Governing Bodies with timely information to guide the administrative and programmatic priorities of the next MTP/PWB; (ii) to improve external confidence in FAO by explaining more clearly successes and challenges; and (iii) to improve operational performance by providing management with new insights.

Benefits achieved

14. Implementing these objectives led to several important innovations in the development of the report, for example:

- publication was brought forward five months, so that the information available to Management and the Governing Bodies would be more timely;
- challenges faced were more clearly presented, and case studies and summary boxes were used to improve readability;
- the process of data collection was explained and included observations on data quality;
- detailed performance data was provided on achievements against targets, accompanied by cost information.

15. FAO is able to demonstrate and report its performance more effectively, gaining Members' confidence. The improved planning, prioritization and on-going monitoring of results is also contributing to increased organizational effectiveness.

16. Although the PIR 2010-11 will be formally discussed by the Joint Meeting of the Programme and Finance Committees taking place in November and the Council in December 2012, informal feedback from Members indicates that this PIR is informative and useful.

17. A review of the impact of the monitoring system on internal operations is nearing conclusion. It is likely to find that some benefits have been realized, in particular as regards reviewing the number and definition of Organizational Outputs, improving communication between HQ and the field and building awareness among staff of the wider context. However, further benefits, as the PIR itself pointed out, will require strengthening the FAO results framework.

IPA action 3.90 (*Upgrade of ICT infrastructure and Information Systems Functional Support for Decentralized Offices*)

Background

18. In support of decentralization, this action focuses on improving Telecommunications connectivity in Decentralized Offices, enabling High-Definition Videoconferencing services in Regional and Sub-regional offices, Standard Definition Videoconferencing services in FAORs and building a Global ICT support structure for Decentralized Offices.

19. Telecommunications network capacity upgrades have been performed for all 86 Decentralized Offices that were in the scope of the project.

Benefits achieved

20. There have been major improvement to connectivity for the Decentralized Offices. In effect, the IT environment to enable effective decentralization of the Organization has been put in place.

21. The decentralized offices now have more effective access to a wide range of FAO applications (including the new GRMS system) as well as enhanced knowledge sharing capabilities.

22. The upgrade of the internet connections of 70 Decentralized Offices has provided improved access to a wide range of new-generation applications which are bandwidth intensive, such as videoconferencing, knowledge sharing and collaboration tools. High-definition videoconferencing services have been activated in 5 Regional and 8 Sub-regional offices and 67 out of 73 FAORs have been supplied with videoconferencing services at standard definition. Enhanced inter-office collaboration has been provided enabling improvements in FAO's efficiency at world-wide level by reducing the need for travel and simplifying inter-office communications.

23. As a result of advanced infrastructure and network functionality network reliability has been improved and network failure resolution times have been reduced thereby increasing office user productivity.

24. Regional support hubs are fully operational in the five regions and FAO staff in regions have access to "during business hours" ICT support in the languages used in their office regardless of geographical location and time-zone . Statistics show a large number of support calls from DOs have been processed, with high satisfaction levels expressed by end users.

IPA action 3.70 (*Introduce an objective staff appraisal system linking staff performance to organizational objectives based on realistic performance targets and objective assessment criteria*)

Background

25. Launched in 2010 on a trial basis the Performance Evaluation and Management System (PEMS), sought to introduce an objective staff appraisal system linking staff performance to organizational objectives based on realistic performance targets and objective assessment criteria.

26. After a two-year trial period, PEMS was implemented in January 2012 as the official tool for managing the performance of all staff on a fixed-term and continuing contract. PEMS replaced the current performance process (PAAR) and formed the basis for administrative decisions.

Benefits achieved

27. With the implementation of PEMS, initial benefits have already been derived by the Organization. For the first time in thirty years, staff members of the Organization in all categories are evaluated using a single assessment framework and the concept of work planning has been instituted as a standard practice. PEMS also fosters the engagement of ongoing dialogue, accountability, and the culture of performance against defined outputs across FAO.

Future benefits

28. The medium to long term impact envisaged from the continued implementation of PEMS, linking staff performance to organizational and unit-specific results will provide comprehensive support to the new results-oriented organizational culture.

29. It will also promote high performance by staff, delegation of responsibility, managerial excellence and accountability. PEMS will provide an objective base for appraising staff performance by monitoring the individual attainment of the defined programme goals through detailed work plans in a more efficient and cost-effective manner.

30. PEMS will also support the shift to a results-based culture in FAO by identifying key behavioral characteristics consistent with a culture of managing for results, including incorporation of lessons learned into the planning and implementation cycle.

31. Some of the expected long term benefits from implementing PEMS in FAO include:

- Strengthening the linkage between corporate strategic objectives and the expected delivery outputs and performance of individual staff members and of their unit (giving staff members a better understanding of their individual role in the overall picture of the FAO's goals)
- Providing a mechanism to assist staff development and career plans
- HR actions and administrative decisions taking into account the record of staff performance tracked via the staff appraisal
- More balanced and comprehensive assessments by measuring results (performance indicators), competencies and clearer performance expectations defined at planning stage through the use of these
- Improved managers knowledge of their team, its strengths and developmental needs, and a clearer idea of where resources are needed to fill gaps and when to rearrange resources to create more efficient and effective working environments.

IPA action 7.24 (*Implementation of IPSAS as key initiative for the finance division and FAO as a whole*) and

IPA action 7.25 (*Enhance Oracle ERP related functionalities to meet IPA requirements*) and

IPA action 3.42 (*Development and deployment of a field version of oracle adapted to FAORs' needs*)

Background

32. These three IPA actions are part of the GRMS project. GRMS is a critical long-term investment and will address key weaknesses with the administration support provided today. These include the lack of a corporate solution for locally supporting Procurement, Travel, HR, Budget and Planning functions; fragmented policy and procedural frameworks at country office level; insufficient management information to support operations and decision making; and limited post-transaction controls over key processes.

Future benefits

33. The main benefit resulting from the GRMS initiative is that, for the first time in its history, FAO will have a single corporate ERP system deployed in all its locations and applicable to all its operations. Also for the first time, these operations will all be recorded and reported through IPSAS compliant modules thereby increasing, for the benefits of all its stakeholders, FAO's transparency and accuracy under financial and budgetary stand view points.

34. In addition to addressing key weaknesses with the administration support previously provided, the GRMS serves the critical scope of enabling the decentralization and capacity building processes in the field. These aim at providing a better, more focused, effective and efficient level of services delivered by FAO where these are more needed. Similarly, many of the current FAO initiatives of a transformational nature cannot be achieved without the GRMS. By providing the enabling environment, GRMS sets the ground for the realization during 2013 of the benefits resulting from these transformational initiatives.

Other Benefits

- Upgrading of FAO's technological platform and creating a single source of information for the Organization will increase the efficiency in key support processes (Procurement, Travel, HR, Budget and Planning)
- Standardized global IPSAS-compliant system and processes increase the flexibility of systems and processes, and increase location-independence and mobility
- Increased process automation leading to decreased cycle time to process transactions, decreased effort to process transactions and decreased number of errors
- Improved data integrity and reliability decreasing the average time spent on querying transaction data
- Improved access to information decreasing average time spent on report creation
- Process re-engineering will remove redundant processes and will decrease elapsed time to perform processes and the cost to perform the process
- Standardization and rationalization of process variants (e.g. contract types) will lead to decrease in learning time when transferring between offices and reduce number of errors
- Increased accountability, by decreasing the efforts to monitor performance of each entity, thereby increasing efficiency of resource utilization
- Improved audit compliance, by decreasing the number of negative audit findings.

IPA action 3.12 *(To supplement Assessed Contributions, projected extra-budgetary resources will be integrated within the programming and budgeting process, including the definition of Impact Focus Areas) and*

IPA action 3.15 *(vigorously pursue new partnerships, including with the private foundations)*

Background

35. Supported by the IPA project on Resource Mobilization, FAO's corporate Resource Mobilization and Management Strategy (RMMS) has succeeded in strengthening efforts across the Organization to monitor trends, strategically engage with partners at all locations, and more effectively communicate impact and value for money.

Benefits

36. Some USD 538 million was mobilized to support FAO programmes during the first eight months of 2012, representing a 28 percent increase compared with the same period last year.

37. Results are visible across the four pillars of the RMMS:

- FAO's resource partner base and the types of partnership are diversifying and expanding. A greater share of resources have been mobilized from middle income countries, Foundations, the Global Environment Fund (GEF), as well as through Joint Programmes. In addition, South-South Cooperation and in-kind contributions are seen as an effective means to partner.
- A communication campaign for resource mobilization launched a resource mobilization website and a set of IMPACT folders highlighting the results of FAO's work at global and local level. Following the presentation of the IMPACT to a side event during the last session of Council, delegates congratulated FAO and stated that the IMPACT folder was a "quantum leap forward in articulating what FAO is doing across the whole range of its work".
- Programming and resource mobilization capacities have been strengthened in Africa, the Middle East and Central Asia, through a series of workshops delivered to over 200 participants. The Agricultural Development Assistance Monitoring tool is now widely used to help FAO country teams to determine their resource mobilization strategies in support of the Country Programming Frameworks.
- Management and reporting on resources mobilized have been streamlined through new corporate reporting procedures and a system has been put in place to capture and capitalize on success stories.