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Organización
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COUNCIL

Hundred and Fortieth Session

Rome, 29 November – 3 December 2010

Immediate Plan of Action Implementation Progress Report

Executive Summary

- At its 137th session (September-October 2009) the Council requested an analysis of impacts of reform actions. In response to Member requests, work has been completed to simplify and frame the IPA programme in terms of tangible benefits, linking achievement of these benefits to completion of the major IPA actions.
- In addition to outlining the key benefits for each of the six thematic areas, the document also reports good overall progress in implementation for the period May through October 2010.
- Preliminary steps have been taken to report quantitative progress, which will be further elaborated and presented to the CoC-IEE at its next meeting in February 2011.
- As requested at the May 2010 Council session, this report provides an update on the results of the risk assessment undertaken of this major change programme to identify risks and develop mitigating actions to ensure the Organization achieves the benefits of reform. In addition to the risks identified for each IPA project, recommendations were made to strengthen the internal governance of the IPA and, following receipt of the report, the Director-General has put into effect revised arrangements to improve IPA programme governance effectiveness and strengthen IPA programme management and accountability, by enhancing oversight of Senior Management through the Senior Management Meeting (SMM) establishing a Programme Board and a Programme Management Unit for IPA.
- Employee communication and engagement are a major component of management arrangements for the IPA. In this regard the Office of Corporate Communications and External Relations (OCE) has been tasked to develop a full Communication and Engagement Programme and an organization-wide employee survey will be undertaken.
- Total expected expenditure on the IPA in 2010 is USD 19.91 million comprising USD 16.82 million against the 2010-11 appropriation voted by Conference and full utilization of the IPA Trust Fund balance of USD 3.08 million brought forward from 2009. Overall budgetary requirements and aggregate costs and savings for 2010-11 are confirmed at the approved appropriation at USD 39.6 million.
- Total preliminary estimated 2012-13 IPA programme costs are USD 39.5 million, comprising costs for new initiatives of USD 15.0 million plus net recurrent costs in 2012-13 of IPA actions that commenced during 2010-11 of USD 24.5 million. A breakdown of these figures will be

presented to the next sessions of CoC-IEE and Finance Committee in early 2011 in the context of the Programme of Work (PWB) 2012-13.

Suggested action by the Council

- The Council is requested to take note of the information provided in CL 140/14.

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

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I. INTRODUCTION

1. The last report to Council (CL 139/9) covered IPA progress up to April 2010. It reported that a good start had been made with FAO reform during 2009 and highlighted the accomplishments achieved to April 2010, together with the key activities expected to be covered through the programme of work for 2010-11.
2. This progress report to Council confirms continued good progress on IPA implementation for the period May through October 2010. In Section II, the report focuses on the tangible benefits expected and the key areas of progress under the six thematic areas contained in the high level framework of the IPA. In Section III, a plan for reporting the quantitative status of implementation of the different IPA projects is presented. Section IV reports on the results of the IPA Risk Assessment analysis undertaken as a management best practice measure and in response to the request made by Council in May 2010 to receive feedback on IPA risks¹, Section V provides the key elements of the IPA Communication and Engagement Programme - a major component of the change management arrangements for the IPA.
3. Section VI reports on the anticipated total expenditure for 2010. It also reports the results of the revision undertaken at this near mid-biennium point to review the allocation between IPA projects of the 2010-11 budgets, and provides a total provisional estimate of the financial requirements for implementation of the IPA in 2012-13.

II. PROGRESS TOWARDS ACHIEVING FAO REFORM BENEFITS

4. At its 137th session (September-October 2009) the Council requested an analysis of impacts of reform actions² and at the CoC-IEE meeting in June 2010 Management was asked to provide a more qualitative analysis of the IPA programme. In response to these requests, an overarching statement of IPA reform benefits was developed indicating that a reformed FAO will:
 - *direct all actions towards clearly defined outcomes for a world free of hunger and contribute to improving living standards in a sustainable manner. It will achieve this through improved governance to ensure clarity of member needs and improved internal management practices to deliver against those needs;*
 - *ensure that all its resources, at all geographic locations, work in synergy and in productive partnership with external partners, to achieve the greatest impact;*

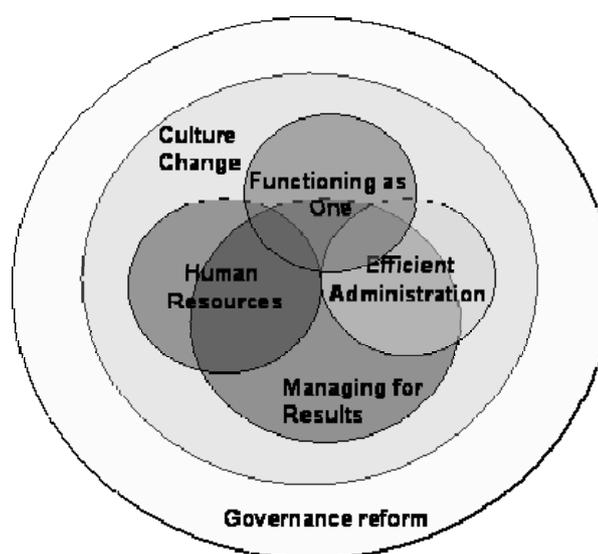
¹ CL 139 REP, para 49

² CL 137 REP, para 44

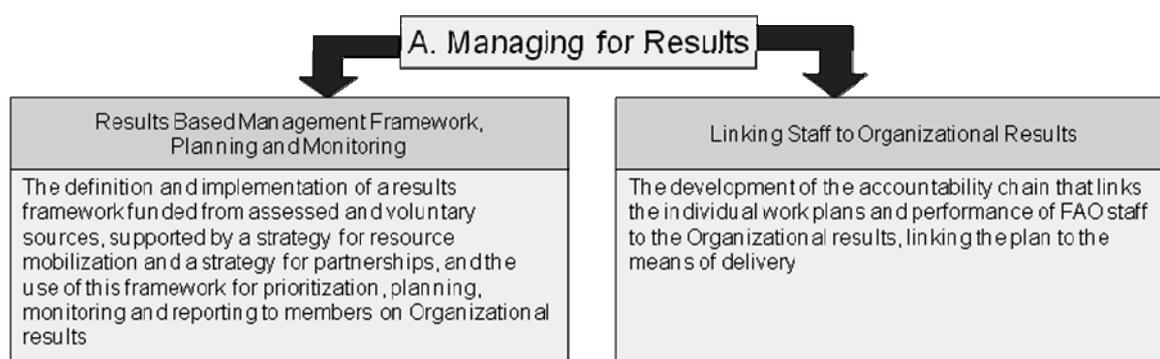
- *have a balanced and motivated workforce working in an enabling environment with the necessary knowledge and experience to deliver better against its mandate;*
- *benefit from support services that are client-oriented and streamlined and be able to provide timely and trusted financial and other resource information, in the most cost efficient manner.*

5. This overarching statement is linked to the six thematic areas contained in the high level framework of the IPA Programme (figure 1). Each of these thematic areas has its own set of major IPA actions and associated benefits, and completion of IPA actions in all thematic areas will deliver the overall FAO reform benefits. Annex 1 provides the breakdown to the major IPA actions that contribute towards achieving the benefits for each of the six thematic areas referred to above.

Figure 1. 6 thematic areas of FAO reform



Linkages to the six thematic areas and to IPA actions



6. The Key Benefit for **Managing for Results** is a clearly defined, consensually agreed impact of the Organization on beneficiaries, and measurable means to achieve it. 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 design and delivery of measurable results with clear impact.

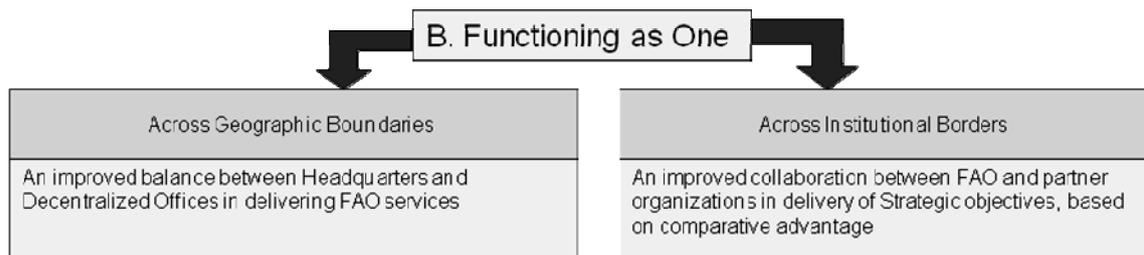
7. To deliver this Organizational benefit, successful delivery must be achieved in two areas. *Results Based Management Framework - Planning and Monitoring*, which must ensure that the

required framework is established and results measured, monitored and reported and *Linking staff to Organizational Results*, which links the plan to the means of delivery.

8. In terms of progress during the reporting period, all organizational units have completed their 2010-11 operational work plans as a basis for implementation, monitoring and reporting, as well as for preparation of the agreements foreseen by the new Performance Evaluation Management System (PEMS). This has been implemented across the Organization, with 96% of staff having completed their 2010 performance agreements. This is a major achievement and it represents a concrete change in the way the Organization works since, for the first time, staff are linking objectives of their daily work to those of the Organization.

9. During the reporting period, the Secretariat also supported the discussion on the process of prioritization of the technical work of the Organization by preparing a synthesis document on the outcome of the discussion of priorities by the four Regional Conferences and four Technical Committees. The secretariat also developed an annotated outline for the two main results-based monitoring and implementation reports for the Governing Bodies.

10. This was considered by the October 2010 session of the Programme Committee that recommended that the preparation of the PWB 2012-13 and related prioritization process should start from the results framework approved in the MTP 2010-13³. The Joint Meeting of the Programme and Finance Committees endorsed at their October 2010 session the main elements of the proposed results-based monitoring and reporting arrangements and reviewed the status on the resource mobilization and management strategy requesting to receive further information at its next session⁴.



11. The Key Benefit of **Functioning as One** is that all the resources of the Organization at all geographic locations, and external partners, work in synergy and complementarity to achieve Organizational results within the results-based framework. To deliver this Organizational benefit, FAO must have all its resources work in synergy *Across Geographic Boundaries*, i.e. with an improved balance between Headquarters and Decentralized Offices in delivering FAO services and *Across Institutional Borders*, i.e. by achieving an improved collaboration between FAO and partner organizations in delivery of Strategic objectives, based on comparative advantage.

12. In terms of progress during the reporting period, the new Headquarters structure was fully implemented in August 2010. The transfer of primary responsibility for supervising technical and substantive aspects of FAORs to the Regional ADGs was also successfully completed, marking another change to the way the Organization worked prior to initiating the reform process.

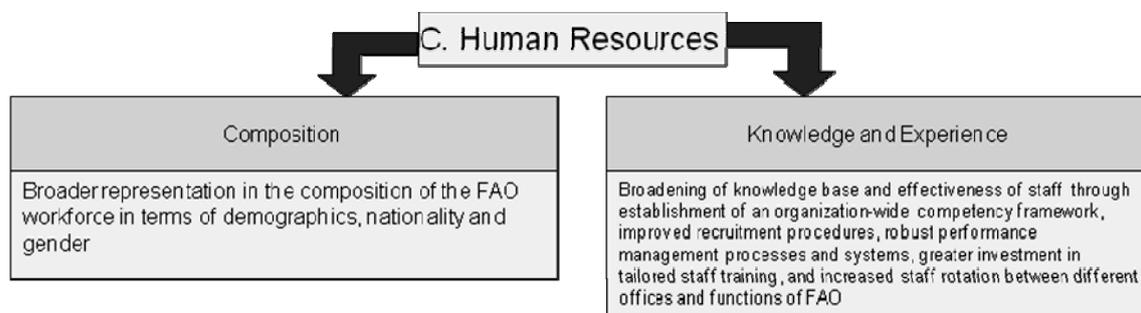
13. A report on Decentralization progress was made to the October meeting of the CoC-IEE, which requested Management, following the Near East Regional Conference in December 2010, to prepare a vision document on the DOs network, including proposals to enhance their role and capacity to effectively function as one Organization in synergy with Headquarters. This request was reiterated at the October 2010 session of the Joint Meeting of the Programme and Finance Committees.⁵

³ CL 140/8, para 5.

⁴ CL 140/9, paras 6 and 11.

⁵ CL 140/9, paras 13 and 14.

14. A concept note for a benchmarking system for decentralized offices that will enable performance-based reporting and monitoring has also been submitted to Senior Management for review. In addition, the Charter of the Common Procurement Team (FAO, WFP and IFAD) was signed by all three Agencies in January 2010 and 17 joint tenders are ongoing or finalized.



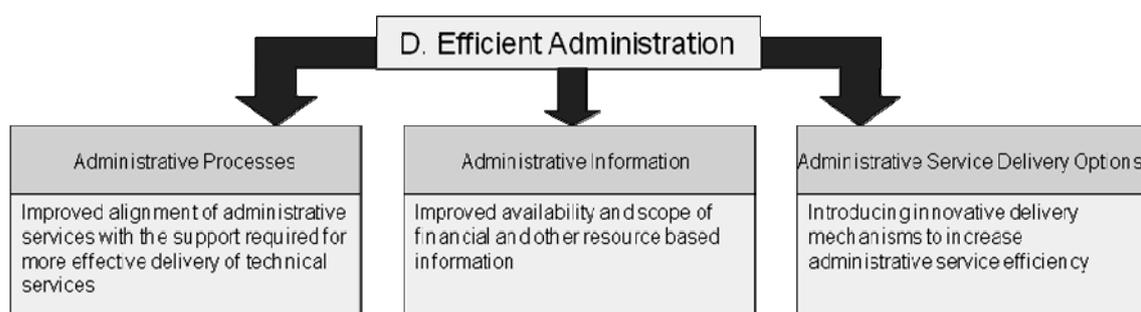
15. The Key Benefit for **Human Resources** is to ensure an enabled, effective and motivated workforce better able to deliver FAO's mandate. To deliver this Organizational benefit, the human resources *Composition* must be balanced by ensuring a broader representation in terms of demographics, nationality and gender. Also, its *Knowledge and Experience* must be broadened and targeted to achieve agreed organizational results.

16. In terms of progress during the reporting period, the Human Resource project reported to Finance Committee in October 2010 on the significant progress that has been made on several of the areas included in the corporate HR strategic framework. These achievements cover the review of the proposed mobility policy by the newly formed Human Resources Committee and the development of the Junior Professionals Programme (JPP) for which departments and offices have been identified to host the first cohort of JPs to be selected amongst the over 2,000 applications received.

17. Staff Rotation Guidelines have been finalized, which will facilitate IPA implementation in this respect and enable the organization to substantially increase mobility of its staff. A Staff Rotation and Mobility Policy is currently being developed to support the establishment of an incentive based rotation policy in Headquarters (HQ) and between HQ and the Decentralized Offices.

18. The implementation of revised selection procedures calls for special attention on gender and geographic representations, and geographic and gender targets have been prepared for departments and offices for 2010. A comprehensive database of educational establishments and institutions has been created and is being continually updated to ensure wider circulation of FAO vacancy announcements, specifically aimed for non- and under-represented countries.

19. In addition, the pilot release of dashboards and reports marks a first important achievement for the new HR Management Information and Reporting System.

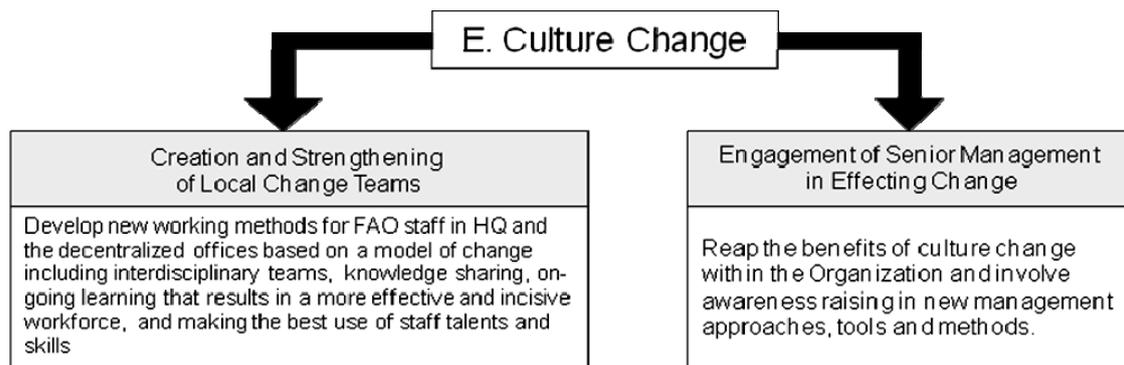


20. The Key Benefit of **Efficient Administration** is better delivery of FAO technical services through client-oriented and streamlined administrative processes, improved value and relevance

of financial and other resource information, and innovative administrative service delivery options. To deliver this Organizational benefit successful delivery must be ensured on three areas. There must be efficient *Administrative processes*, through an improved alignment of administrative services with the support required for more effective delivery of technical services, the *Administrative information* must ensure an improved availability and scope of financial and other resource based information and the *Administrative service delivery options* must introduce innovative delivery mechanisms to increase administrative service efficiency.

21. Progress in Efficient Administration during the reporting period has included progress on the International Public Sector Accounting System (IPSAS) and Field Accounting System (FAS) replacement project in which a decision has been taken to undertake this work synergistically with the required Oracle upgrade project in the context of an overall ERP programme of work. This synergetic approach should enable other ERP planned initiatives, such as the new travel system, to be developed more effectively with the related IPSAS and FAS replacement developments and also allow the utilization of new functionality in R12 to deliver the web-based integrated Field Solution needed to support the business requirements of the Field Offices. This was reported at the October 2010 session of the Finance Committee⁶ which supported this synergistic approach, so as to deliver IPSAS compliant systems in 2012 and allow for preparation of IPSAS compliant financial statements for the year 2013⁷.

22. In the Information Technology area, in 2010 network upgrades were performed in approximately 40 offices and high definition video conference facilities have been developed to all Regional and Sub-Regional offices.

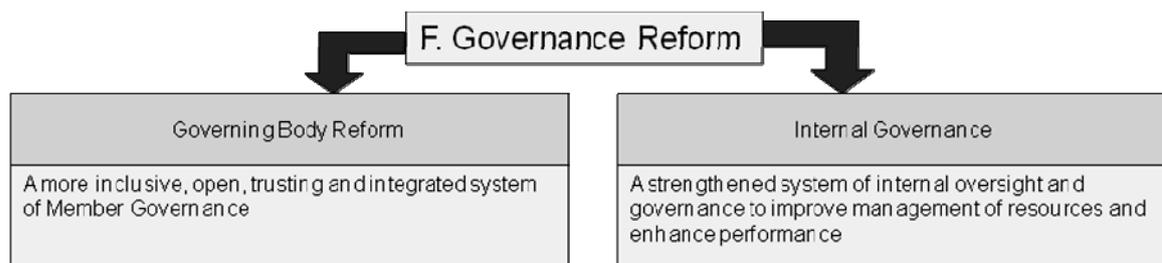


23. The Key Benefit of **Culture Change** is that it creates an enabling, inclusive work environment, based on FAO's internal vision and values which allows the Organization to better deliver on its mandate and optimizes the talents of its employees. Organizational Culture Change is concentrating on two main areas of work. The *Creation and strengthening of local change teams* develops new working methods for FAO staff in HQ and the decentralized offices based on a model of change including interdisciplinary teams, knowledge sharing and on-going learning. The *Engagement of Senior management in effecting change* will involve awareness raising in new management approaches, tools and methods, thereby contributing to new modernized management practices and, ultimately, a more efficient and effective Organization.

24. In terms of progress during the reporting period, a new Culture Change team has been put together and, following the departure of Mr. Jim Butler in August 2010, the related IPA project responsibility has been assigned to Mr. Hafez Ghanem, ADG of ES Department. The new culture change team has devised an action plan and established 4 working groups covering different thematic working areas of the project.

⁶ document FC135/12

⁷ CL 140/21, para 45



25. The Key Benefit of **Governance reform** is improved articulation of Member needs, higher levels of trust and continuity among Members and between Members and Management, supported by improved internal management practices to better deliver Organizational results.

26. In order to be fully successful, the process of reforming FAO must be underpinned by a strengthened governance in which the *Governing Body Reform* will result in a more inclusive, open and trusting system of Member governance supported by *Internal governance* actions that will provide a strengthened system of internal oversight and governance to improve management of resources and enhance performance.

27. In terms of progress during the reporting period, work towards the adoption of Multi-Year Programmes of Work (MYPOW) by the different Governing Bodies, including the Council, has continued, with the Finance Committee in October 2010 approving its MYPOW, whilst the Committee on Constitutional and Legal Matters approved its Rules of Procedures in September 2010.

28. A new approach to integrating Enterprise Risk Management (ERM) with FAO's results-based management has been developed. An update was provided in October 2010 to the Finance Committee which commended the approach. The Committee requested a report on progress in implementing the ERM project work plan, information on the results of the pilots of ERM processes and a plan for implementation of the institutional ERM in FAO, including the format for reporting to the Governing Bodies⁸.

III. QUANTITATIVE PROGRESS TO DATE

29. Detailed achievements covering the period May through September 2010 were presented to the CoC-IEE meetings on 23 June⁹ and 20 October 2010¹⁰. At the latter meeting, while appreciating the qualitative information provided in the progress report, Members requested more information of a quantitative nature which would allow a better understanding of the status of implementation across the IPA programme.

30. As a first response to this request, IPA Project Leaders have been asked to provide an estimate on the overall status of implementation of the projects under their responsibility. The result confirms good overall progress with implementation of IPA actions within each project, and this information will be elaborated and further developed within the annual report for 2010 implementation that will be presented to the CoC-IEE at its February 2011 meeting.

IV. IPA RISK ASSESSMENT

31. The May 2010 report to Council (CL 139/9, para 70) anticipated a full risk assessment across the IPA programme in response to Members need to give special attention to the risk elements of

⁸ CL 140/21, paras 46 and 47

⁹ Progress Report presented to the CoC-IEE meeting on 23 June 2010 can be accessed through the following link: [HTTP://TYPO3.FAO.ORG/FILEADMIN/USER_UPLOAD/IEE/IPA_PROGRESS_REP_COC23JUNE_E.PDF](http://typo3.fao.org/fileadmin/user_upload/IEE/IPA_PROGRESS_REP_COC23JUNE_E.PDF)

¹⁰ Progress Report presented to the CoC-IEE meeting on 20 October 2010 can be accessed through the following link: [HTTP://TYPO3.FAO.ORG/FILEADMIN/USER_UPLOAD/IEE/IPA_PROGRESS_REP_COCIEE3_20OCT2010_E.PDF](http://typo3.fao.org/fileadmin/user_upload/IEE/IPA_PROGRESS_REP_COCIEE3_20OCT2010_E.PDF)

the IPA¹¹. The assessment was not to question the merits, need or rationale of the reform, nor the benefits it intends to achieve, but as a best-practice management measure to facilitate timely adjustments to the implementation of the IPA by identifying and addressing any current threats or needs for improvement, and equipping IPA Project Leaders to manage their risks in the future.

32. The assessment was overseen by the Office of the Inspector General, who engaged an external risk specialist to facilitate the exercise. The risk identification process sought to identify three areas of risks; (i) risks to delivery of IPA actions, in budget and on time; (ii) risks of disruption to FAO's agreed programme of work as a consequence of IPA implementation and (iii) risks to realizing the expected IPA benefits.

33. Throughout the Risk Assessment exercise detailed risk logs have been produced by project leaders who also rated the risks in terms of impact and likelihood of the risk materializing. These risk logs will be utilized for managing, maintaining and monitoring the risks and the related mitigating measures that have been identified by Project Leaders to manage the identified major risks. This process has been applied at the individual IPA project level as well as at the programme level.

34. Management welcomed the risk assessment report received on 29 September, which was reported on at the 20 October CoC-IEE meeting¹², and is committed to pursue recommendations included in the report. The risks and challenges identified through the assessment are to be expected in a major change-management endeavor, whose *“scale and complexity are unprecedented in the UN and would only be seen in the private sector following a corporate acquisition”*, as recognized in the Risk Assessment Executive Summary.

35. The report recommended that internal governance of IPA be strengthened by establishing a Programme Board formally delegated with decision making authority and fully accountable to improve oversight and support of key executive decisions and with a direct reporting line of IPA Project Leaders to the Programme Board.

36. The report also recommended establishing a Programme Management function, reporting to the Programme Board, to coordinate and direct the IPA as a coherent programme in order to improve overall IPA programme management. This would entail setting and ensuring compliance with project management standards, coordinating and managing interdependencies, monitoring IPA programme and project risks, developing critical path and rendering more coherent and efficient management of IPA projects.

37. In response to the Risk assessment report and in order to improve IPA governance effectiveness, the Director-General has taken immediate action to:

- establish an IPA Programme Board chaired by the Deputy Director-General (Operations), comprising the Deputy Director-General (Knowledge), Directeur De Cabinet and the principal functional heads of departments responsible for the IPA;
- empower the Reform Support Unit, renamed Programme Management Unit, to perform Programme Management functions, reporting to the Programme Board;
- strengthen accountability by including IPA responsibilities in PEMS agreements of IPA Project Leaders;
- dedicate an SMM meeting each month exclusively to IPA matters.

38. As an immediate priority, Management will also review all the highest level project risks and include in the next progress report to the CoC-IEE the management actions undertaken to address those risks.

¹¹ In the October 2009 report of the Council (CL 137/REP, para 45) it was recognized that *“Member responsibilities would change from hands-on to oversight and monitoring and that special attention would be given to the risk elements in IPA”*.

¹² The Executive Summary was attached as an Annex to the CoC-IEE progress report and can be accessed through the following link: [HTTP://TYPO3.FAO.ORG/FILEADMIN/USER_UPLOAD/IEE/CoC_IEE3_IPA_ANNEXES_20OCT2010_E.PDF](http://TYPO3.FAO.ORG/FILEADMIN/USER_UPLOAD/IEE/CoC_IEE3_IPA_ANNEXES_20OCT2010_E.PDF)

V. COMMUNICATION AND ENGAGEMENT PROGRAMME

39. Employee communication and engagement is a major component of the overall management arrangements for the IPA, and the Office of Corporate Communications and External Relations (OCE) has been tasked to develop a communication and engagement strategy and programme.

40. The communication and engagement programme takes its lead from the new results-based management framework for FAO to ensure that employees are aligned behind FAO's mission, global goals, the Strategic Framework, the IPA as well as the internal vision and values. The goal is to ensure that employees understand and support FAO's mission and that employees are supported by an organizational structure, services and culture that optimize their performance.

VI. COSTS AND FINANCES

41. Details on IPA Financial Plan 2010-11 and Estimated Financial Requirements for 2012-13 were provided to the 135th Session of the Finance Committee (FC 135/7)¹³ in October 2010, and the main highlights are presented below.

42. As at 17 September 2010, the Immediate Plan of Action for FAO Renewal (IPA) Trust Fund had received contributions amounting to USD 8.80 million and confirmed pledges for a total of USD 9.01 million. Full expenditure of the 2009 IPA Trust Fund balance of USD 3.08 million is foreseen in 2010.

43. Against the USD 39.6 million allocated under the 2010-11 budgetary appropriations to fund the implementation of the IPA (Conference Resolution 3/2009), anticipated total expenditure of USD 16.82 is foreseen by end 2010.

44. For the 2010-11 biennium, Management completed an assessment of the IPA project budgets based on 2010 expenditure and delivery to-date. The Finance Committee took note of the major cost variations foreseen between IPA projects, and appreciated the confirmation that aggregate costs and savings remained the same as the approved appropriation of USD 39.6 million¹⁴.

45. For the 2012-13 biennium, total preliminary IPA programme costs are estimated at USD 39.5 million. This comprises IPA programme costs for new initiatives that will commence during 2012-13 of USD 15.0 million plus net recurrent costs in 2012-13 of IPA actions that commenced during 2010-11 of USD 24.5 million. Updated figures will be presented in the Programme of Work and Budget (PWB) 2012-13 and the Finance Committee looked forward to receiving updated estimates at the forthcoming special session of the Finance Committee to be held in early 2011.¹⁵

46. The Finance Committee appreciated that the IPA resources are linked to the FAO strategic and functional objectives in the PWB as well as during implementation of the budget, allowing for a full integration of IPA activities in the results framework. It also welcomed the confirmation that all IPA-related funding in 2010-11 would be used exclusively for IPA activities, and unspent 2010-11 IPA funds, if any, would be carried-over into 2012-13.¹⁶

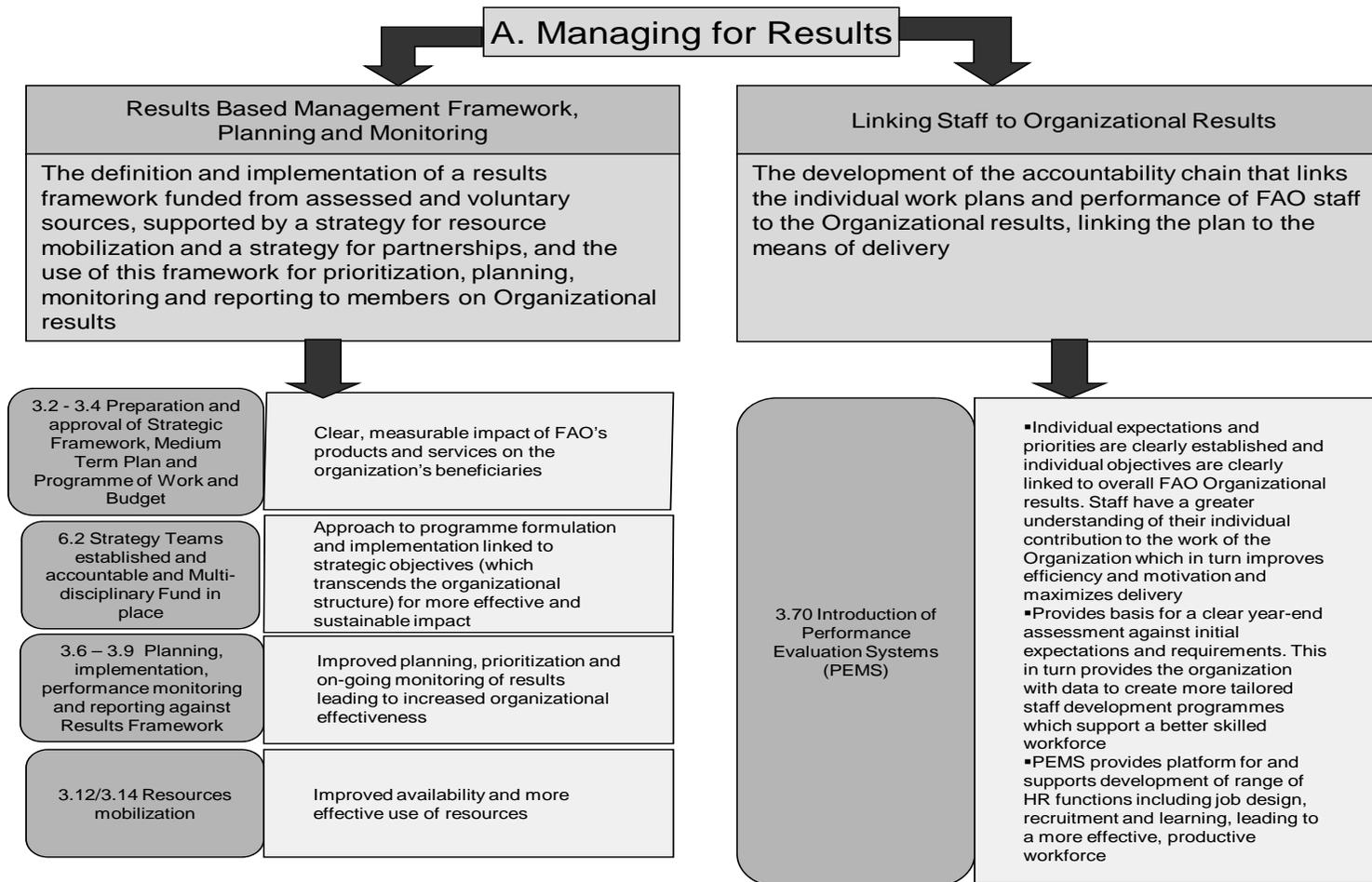
¹³ Link to FC 135/7: [HTTP://WWW.FAO.ORG/FILEADMIN/USER_UPLOAD/BODIES/FIN_COMM_134_SESS/DOCUMENTS_FC_135/EN/FC135-7.PDF](http://www.fao.org/fileadmin/user_upload/bodies/fin_comm_134_sess/documents_fc_135/en/FC135-7.pdf)

¹⁴ CL 140/21, para 26

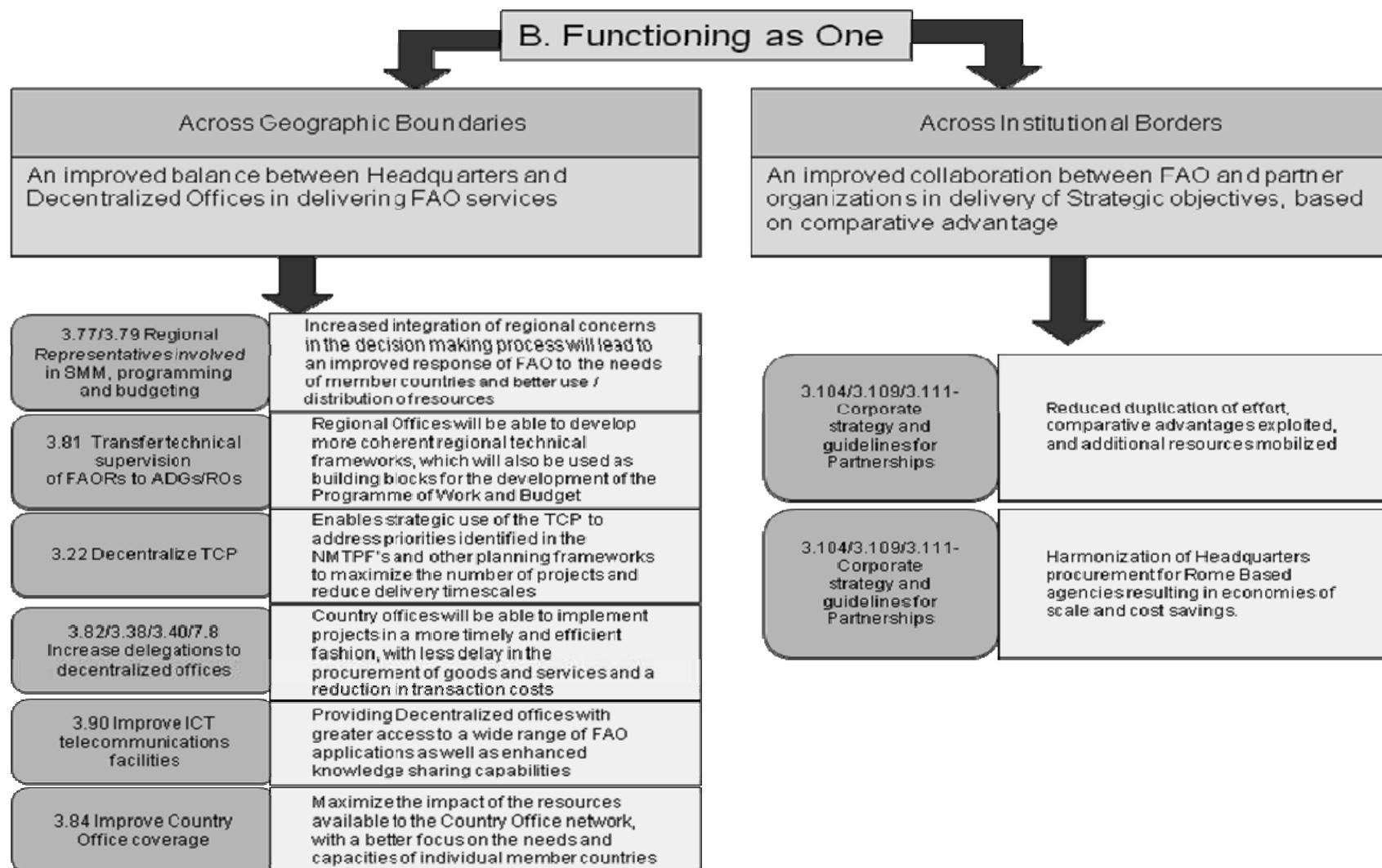
¹⁵ *idem*, para 30

¹⁶ *idem*, paras 27-29

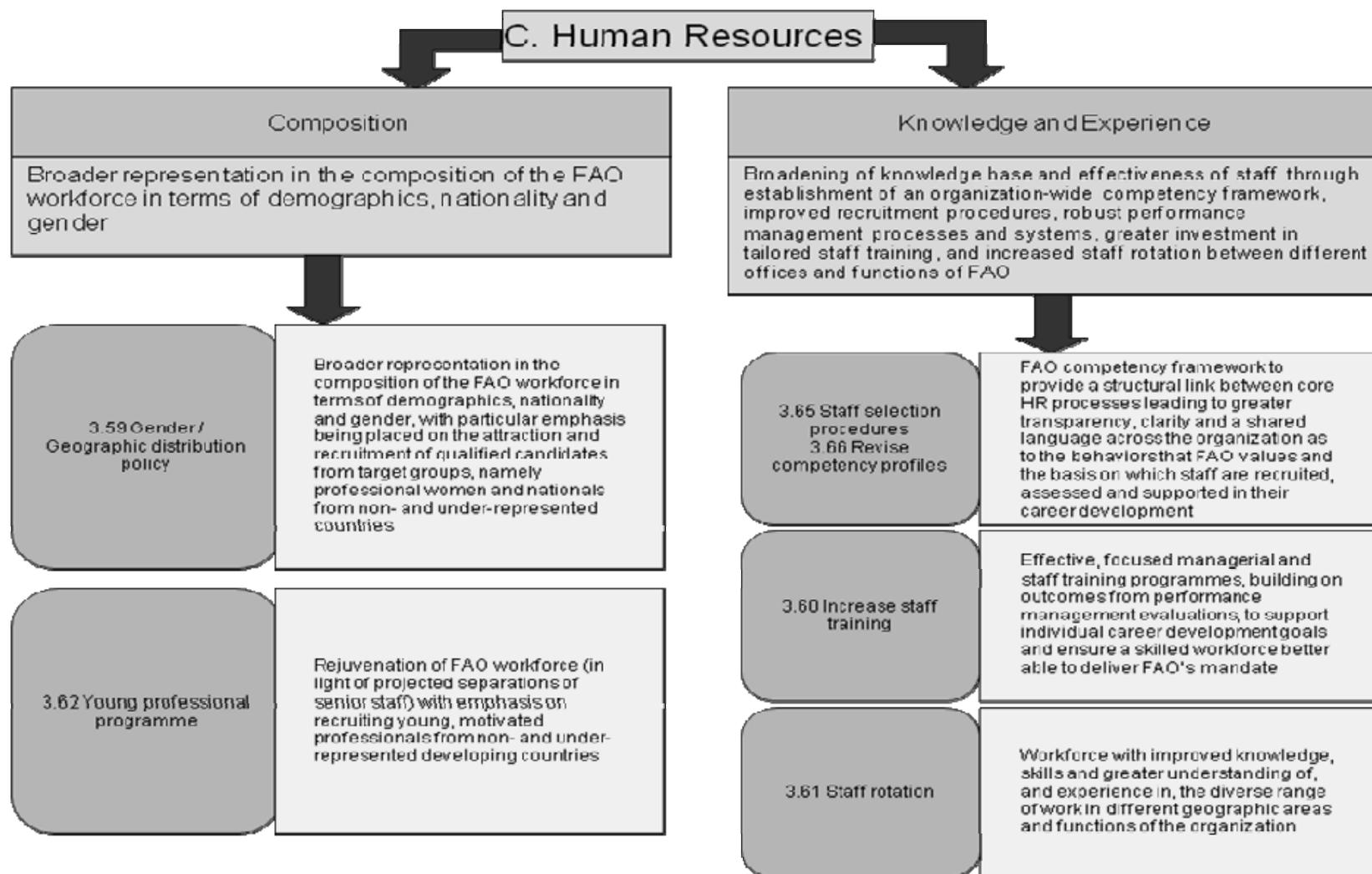
1: Managing for Results



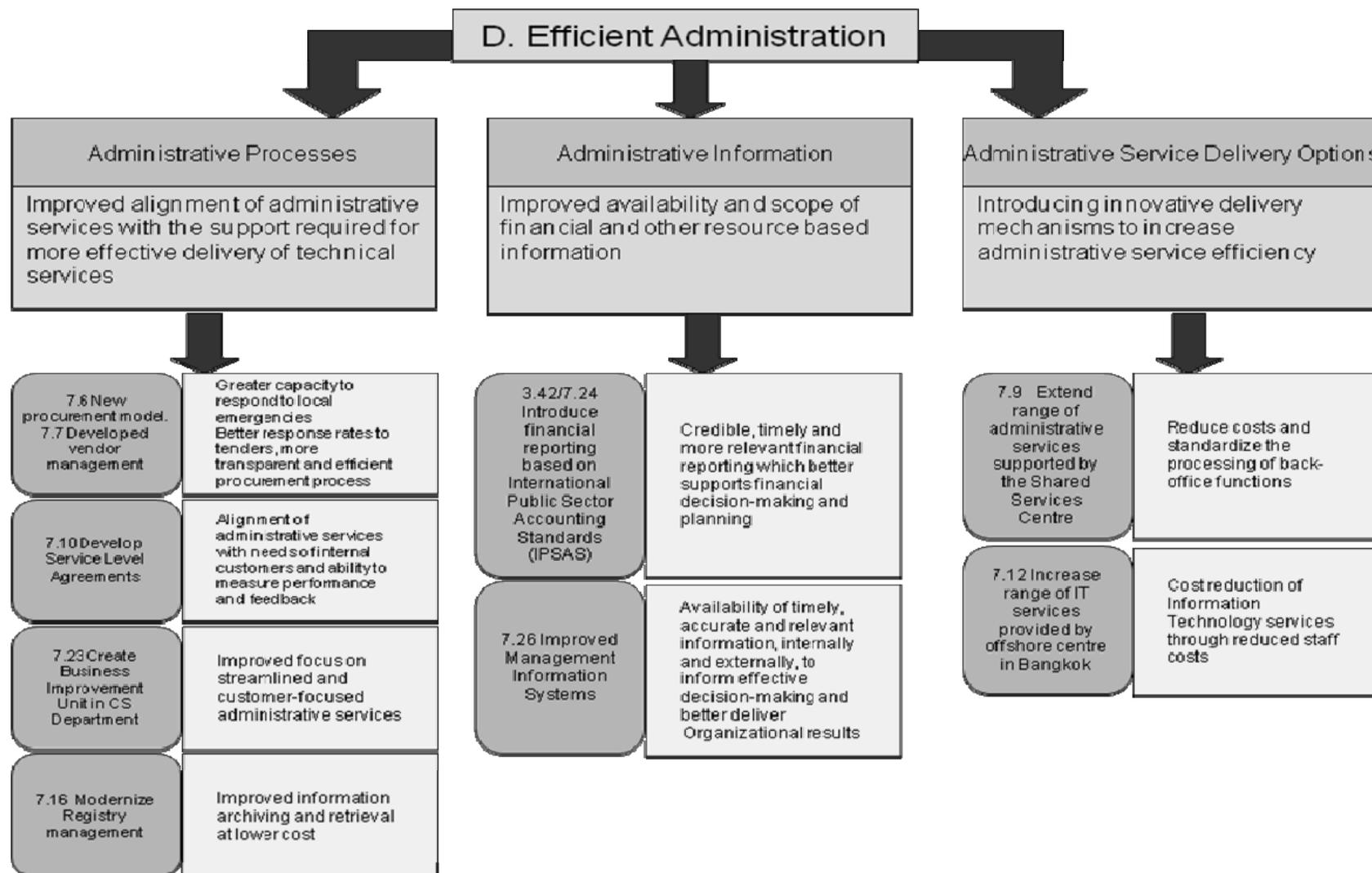
2: Functioning as One



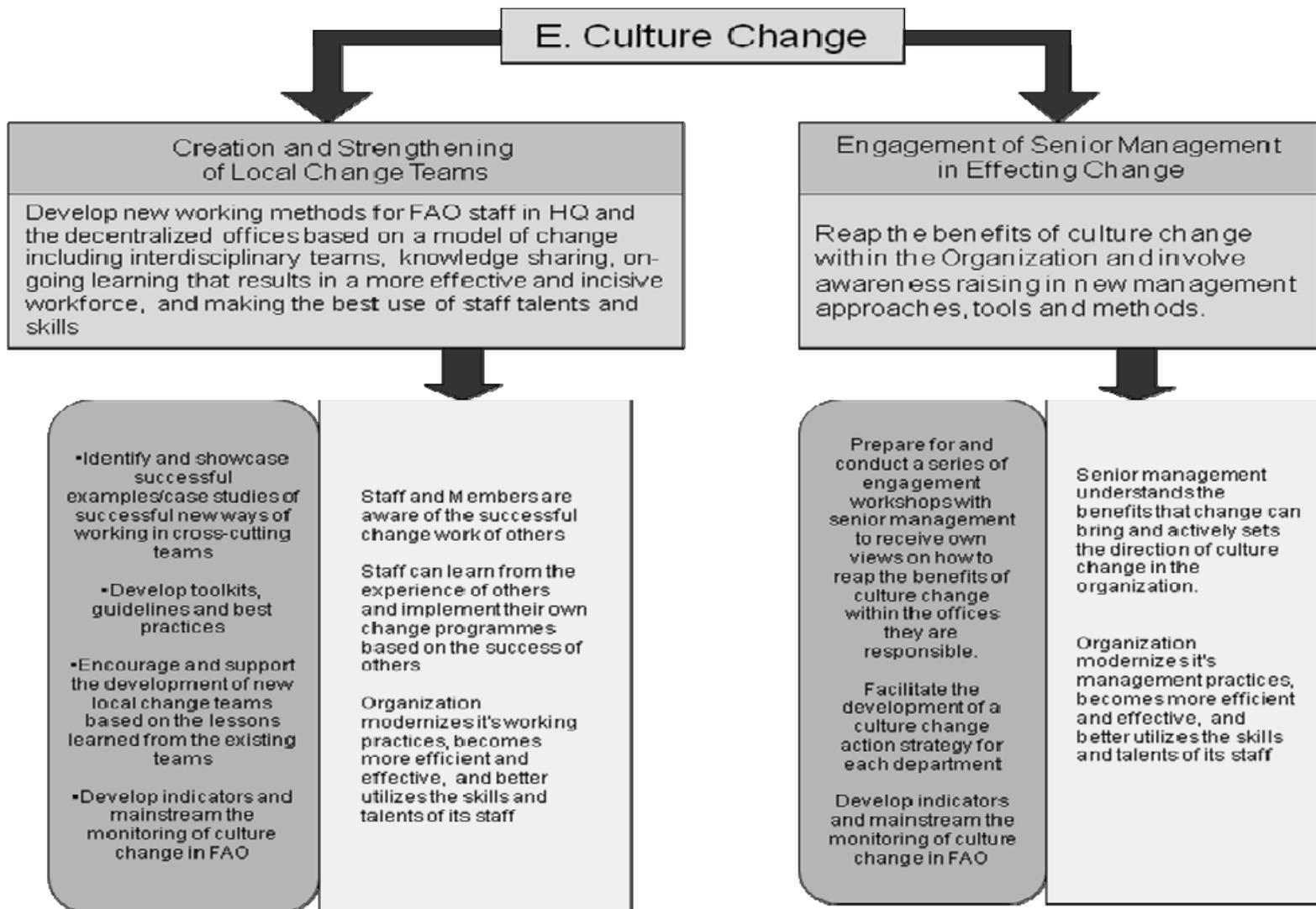
3: Human Resources



4: Efficient Administration



5: Culture Change



6: Governance Reform

