

Progress Report on IPA implementation and Trust Fund budget situation

Introduction

1. This report provides summary information on the progress, achievements, issues and risks associated with each IPA project, together with an update on available funds and project expenditure.

IPA project progress

2. As agreed at the previous meeting of Working Groups I, II and III, a “dashboard” status report is being used to indicate progress with each project. All projects are indicating good progress whilst some projects are indicating challenges. However many projects are indicating impending problems with regard to the low level of available resources and will soon face the prospect of delays due to funding constraints. A re-prioritized program and revised costs and savings schedule for IPA implementation in 2009 will be produced following receipt of the Root and Branch Review Report on 17 April.
3. Figure 1 below indicates the overall “dashboard” status of IPA projects.

Figure 1 – Overall status of IPA projects

IPA implementation dashboard	Progress	Challenges	Resources	Overall
All projects				
Project 1 - Governing body reform				
Project 2 - Oversight (Audit)				
Project 2 - Oversight (Evaluation)				
Project 3 - Reform of programming, budgeting and RBM				
Project 4 - Resource mobilization and management				
Project 5 - Technical Cooperation Programme				
Project 6 - Decentralization				
Project 7 - Headquarters structure				
Project 8 - Partnerships				
Project 9 - Reform of administrative & managements systems				
Project 10 - FAO Manual				
Project 11 - IPSAS and Oracle (IPSAS)				
Project 11 - IPSAS and Oracle (Oracle)				
Project 12 - Enterprise Risk Management				
Project 13 - Culture Change				
Project 14 - Human Resources				

4. The “Progress” heading refers to the progress being made in each project compared with the planned dates. Green indicates that the project is proceeding well against planned dates, amber indicates some minor foreseen slippage, and red indicates major slippage. No projects are reporting red against “Progress”.

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5. The “Challenges” heading refers to any challenges being faced by each project. These challenges are typically external, rather than within each project. Green indicates no foreseen external challenges, amber indicates some minor projected impact, and red indicates that there is likely to be a major impact on the project as a result of external challenges. One project (Enterprise Risk Management) is indicating a status of red against “Challenges”.
6. The “Resources” heading refers to any resource issues being faced by each project. Resource issues are typically either financial or human resource related. Examples might include a lack of sufficient funding from the IPA Trust Fund, or an inability to recruit the skilled resources needed for a project in a timely manner. Green indicates that the project does not foresee any resource issues, amber indicates a minor projected impact, and red indicates a major projected impact on the project as a result of resource issues. Four projects (Partnerships, Reform of administrative and management systems, Enterprise Risk Management and Human Resources) are indicating a status of red against “Resources”.
7. These three factors (Progress, Challenges and Resources) are summarised into an “Overall” status for each project. Green indicates no foreseen significant problems in successfully completing the project, amber indicates some minor concerns, and red indicates major problems foreseen in delivering the project successfully. One project (Enterprise Risk Management) is indicating an Overall status of red.
8. A description of the achievements, issues and risks associated with each project appears at Annex 1.

IPA Trust Fund

9. Annex 2 indicates the Trust Fund status as at 7 April 2009. Pledges and contributions have been received from Australia, United Republic of Tanzania, Belgium and Cameroon. However, there remains a significant shortfall between estimated requirements for IPA implementation in 2009 and available funding.

IPA expenditure

10. In terms of expenditures, the previously identified sources of funds in support of IPA have now been virtually exhausted, and commitments are being made against the Trust Fund.
11. In addition to the commitments to cover the costs of Governing body follow-up to IPA, the costs of Management follow-up to the IPA and the costs of Culture Change, as reported to the Working Groups on 24 March, other commitments against the Trust Fund are being limited to support short term consultancies in the area of administrative reform, totalling USD 20,000. This is because, until the final report of the Root and Branch Review is available and costs and savings are updated accordingly, Management is unwilling to utilize the IPA Trust Fund to finance larger or longer term commitments.
12. This approach is being adopted due to the shortfall between available funding and requirements.

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Annex 1 – Project by project description of achievements, issues and risks

Project 1 – Governing body reform

Current Status

Progress	Challenges	Resources	Overall
			

Main achievements

Action 2.51 completed – the Committee on Constitutional and Legal Matters being open to silent observers.

Issues and risks

No major issues or risks at this time.

Project 2 – Oversight (Audit)

Current Status

Progress	Challenges	Resources	Overall
			

Main achievements

No change since last status report

Issues and risks

No change since last status report

Project 2 – Oversight (Evaluation)

Current Status

Progress	Challenges	Resources	Overall
			

Main achievements

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Recruitment process for Director of Evaluation now under way and expected to be completed soon. Office of Evaluation expected to be established shortly after Charter approved by Council in June.

Issues and risks

None

Project 3 – Reform of programming, budgeting and results based monitoring

Current Status

Progress	Challenges	Resources	Overall
			

Main achievements

During March, the Strategy Teams completed their first full drafts of the Strategic Objective and Functional Objective results frameworks, including sharing of formulations at an innovative “results marketplace”.

Issues and risks

At its meeting of 23 March, CoC-IEE Working Group 1 generally agreed the preparation steps and schedule of review of the Strategic Framework, MTP 2010-13 and PWB 2010-11. The schedule is dependent on timely availability and review of actions beyond Project 3, including on enterprise risk management, headquarters structure, decentralization, concept of reform with growth, and root and branch review recommendations. This dependency poses a risk to the timely completion of the SF/MTP/PWB preparation steps and needs to be carefully monitored.

Project 4 – Resource mobilization and management

Current Status

Progress	Challenges	Resources	Overall
			

Main achievements since last report

3.12 – Assessed contributions. The FPMIS module has released functionality to support the bottom-up mapping of existing projects and pipeline to the new results based strategic

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framework and the related process is well advanced. The PIREs module to support the integrated resource planning of the Organizational results for the PWB is about to be released.

1.5 – Develop Impact Focus areas. IFA Managers have produced a first draft formulation of the Impact Focus Areas for inclusion in the MTP 2010-2013, including review by the relevant Strategy Teams.

Issues and risks

Several deliverables of this project are dependent on the outcome of discussions under Project 6 Decentralization (while discussions under this project also impact project 6); Project 7 Headquarters Structure with regards to the management structure for extra-budgetary resources and Project 8 Partnerships.

Project 5 – Technical Cooperation Programme

Current status

Progress	Challenges	Resources	Overall
			

Main achievements

The paper on TCP project cycle to be submitted to the May session of the Programme Committee has been finalized with inputs from the project team Reform Support Group and SMT-IPA. It covers approval guidelines, minimum information requirements for requests, clarification of responsibilities at each step, and timeline.

The assessment of the work load of decentralized and headquarters offices in relation with the new TCP model is close to completion. The conclusions, together with an estimation of the staff and non-staff resources required in the decentralized offices and at HQ will be shared with IPA Project 6 (on decentralization) during the month of April.

Issues and risks

- The consultations undertaken on the above-mentioned paper to the Programme Committee, showed that attention will need to be given to the issue of how to assure the quality of approved TCP projects in the decentralized environment.
- While some of the remaining tasks related to the preparation of TCP decentralization (drafting of guidelines and procedures) can be implemented using the core resources of TCOT, other activities such as the design of the ex-post monitoring system, the development of training material and the delivery of the training programme cannot be implemented in the absence of additional financial resources. Should such resources not be forthcoming as from May 2009, it will not be possible to introduce the decentralized approval process for TCP projects by January 2010 as currently foreseen.

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Project 6 – Decentralization**Current Status**

Progress	Challenges	Resources	Overall
			

Main achievements

The project is generally on schedule. In particular, the documentation for the CoC-IEE meetings on 16-17 April dealing with “*Review of Decentralized Offices Staffing, Location and Coverage*”.

Issues and risks

Three actions require resource from the IPA Trust Fund budget. If funds do not come available their implementation could slip.

3.87 - Job descriptions, competency profiles, recruitment and performance appraisal procedures Heads of Decentralized Offices (Q2, 2010). Not yet started. To start 1 July 2009 the US\$ 100 000 foreseen for use of consultants would have to be available in May 2009.

3.88 - Benchmarks and performance based reporting and monitoring system for decentralized office. This action item requires preparation of systems, data collection, and agreement on reporting procedures. The work will require specialized skills in the form of consultancy contracts. To start 1 Jan 2010 resources amounting to US\$ 400 000 would have to be committed at the end of 2009.

3.90 - Deployment of support systems (including training and upgrade of IT information systems). In order to achieve the planned target dates, the decision to proceed with this item needed to be taken by the end of March, since the necessary preparation tasks, including the recruitment of non-staff resources and lead-time required for the implementation changes after the issuance of order, are expected to take three months. There is now a very high risk that the target dates for item 3.90 (Deployment of support systems) will slip.

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Project 7 – Headquarters structure**Current Status**

Progress	Challenges	Resources	Overall
			

Main achievements

A paper entitled *Headquarters Organizational Structure – Progress Report* was presented to the CoC on 23 March. The working group showed appreciation for the work completed to date and asked to receive a progress report at its next joint meeting in June.

Issues and risks

Clarifications need to be provided on a number of items:

- details on staff distribution across departments and offices, including D-level positions
- size and functions of corporate services
- functions and structure of Natural Resources Management and Environment Department and of various new offices – i.e. the Office of Corporate Communications and External Relations, the Office of Knowledge Exchange, Research, and Extension, and the Office of Support to Decentralization – as well as the Ethics component of the Legal Office;
- division of responsibilities on corporate resource mobilisation between the Office of Strategy, Planning and Technical Cooperation Department
- assignment and responsibilities with regard to rural development and institutions, including land tenure
- functions, decision making level and reporting lines to FAORs

Status

Until now there is no delay. Guidance of CoC was received on 23 March to continue with the work and the next progress report is planned for 4 June.

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Project 8 – Partnerships**Current Status**

Progress	Challenges	Resources	Overall
			

Main achievements

At its meeting held on Friday 13 March 2009, the Reform Support Group (RSG) reviewed and endorsed for subsequent forwarding for approval to the SMT-IPA four strategy notes on the following:

- Partnerships with the United Nations system;
- Strategy note and joint document on collaboration between the Rome-based agencies "*Directions for Collaboration among the Rome-Based Agencies*";
- Partnerships with Civil Society and Non-Governmental Organizations; and
- Partnerships with the Private Sector.

It is expected that SMT-IPA will review these strategy notes at its meeting during the week of 14-17 April 2009. Approval of the strategy notes will provide a sound basis for furthering progress on the actions identified in the IPA for partnerships.

Issues and risks

There is a risk that non-receipt of the estimated cost required in 2009 of \$ US 400,000 for implementation of the actions on partnerships in the IPA would result in significant delays in:

- "Assessment of partnerships and the launch of new or renewed partnerships in order to support the implementation of the partnership strategies";
- Development of a training module and a training programme (including for the decentralized offices);
- Website on corporate partnerships;
- Monitoring mechanism to ensure feedback and iterative improvement of partnership collaborations.

This may mean that the planned dates for completion of the relevant actions in the partnership matrix of the IPA may need to be revised with a view to their achievement.

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Project 9 – Reform of administrative and managements systems**Current Status**

Progress	Challenges	Resources	Overall
			

Main achievements

The main achievement under Project 9 is that work has begun on some initiatives independent of the Root and Branch Review final report and in collaboration with that effort. For example, the Organization already has a joint procurement plan for 2009-2010 agreed upon by the three Rome based agencies.

Issues and risks

The project has a number of disparate initiatives and activities envisaged for implementation in support the overall reform of management and administrative processes. The challenges consist of essentially ensuring an appropriate prioritization and sequencing of the actions in order to secure the effective delivery. In addition, quite a number of the actions are waiting the outcome of the Root and Branch review and this is a major risk and challenge for the successful outcome of Project 9. An additional risk is the challenge of getting staff involved in these processes “on board” in changing the way they work, speeding up the decision-making process and in decentralizing some authority.

Project 10 – FAO Manual**Current Status**

Progress	Challenges	Resources	Overall
			

Main achievements

In preparing for the launch of the project, measures have already been taken to identify potential staff members (both from FAO and WFP, since this is planned as a joint project) who could participate in the project team and represent all the stakeholders concerned, including among others the divisions/departments responsible for specific chapters of the Manual, those divisions which will assist with the development of the e-Manual and the 'client/customer' divisions.

Issues and risks

n/a

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Project 11 – IPSAS¹ and Oracle

Current status

Progress	Challenges	Resources	Overall
			

Main achievements

5.38 - Upgrade Oracle for staff Management and IT infrastructure in Decentralized offices. The action is planned to start in 2010.

5.40 - Design of the Management Information System. Purchase and implementation of a Business Intelligence (BI) platform has been endorsed by the Procurement Committee in March and is pending the completion of procurement procedures.

Issues and risks

In order to meet the planned timeframe of action 5.40, the decision to proceed needed to have been obtained by the end of March, to allow sufficient lead time for the recruitment of appropriate non-staff human resources. Therefore the target dates of the action may slip.

Project 12 - Enterprise Risk Management (ERM)

Current Status

Progress	Challenges	Resources	Overall
			

Main achievements

The Immediate Plan of Action (IPA) calls for the Terms of Reference for a comprehensive enterprise risk management study of the Organization be prepared and submitted to the Finance Committee for review and agreement. The Terms of Reference for the Enterprise Risk Management Study (Phase I) have been completed and were submitted to the Finance Committee Secretariat on 30 March 2009, and the item will be included on the agenda of the 126th session of the Finance Committee (11-15 May 2009).

¹ The IPSAS Project is managed through an established project structure, including a Project Board, with progress reports regularly submitted to the Finance Committee. Estimated total IPSAS project cost of USD 13.9 million is not part of IPA cost estimates. Estimated IPSAS project cost for 2008-09 of USD 6.3 million is included in Chapter 8 provisions, while funding proposals for the remaining costs are to be developed as part of the PWB 2010-11.

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Issues and risks

The ERM project must compete with other significant Organization initiatives for critical budget and resource allocation under the IPA reform. Such competition threatens the success of ERM, which is needed to support the success of these initiatives and priorities.

Full implementation of Project 12 will require an estimated USD\$2.50 million, and thus its successful implementation will be largely dependent on available funding in 2009 and 2010/2011. Full implementation of the project is crucial to the success of the overall reform because an ERM is a critical component of all the other reform projects under the IPA.

Successful implementation of an ERM also demands ownership and leadership. In the absence of clear senior executive focus (i.e., a chief risk officer), determining responsibility and accountability for integrated risk management will prove challenging. The personal commitment required to implement an effective ERM programme across the Organization can be significant and many leaders might be reluctant to support it until they fully understand the benefits they will derive from its implementation. Therefore, establishing strong, accountable leadership is critical to the success of the ERM programme to ensure that sufficient influence and visibility is given to the function and to help break down internal obstacles to integration.

Implementation of the project will also face other challenges which include:

- Getting stakeholders to recognize the value of ERM and concretely support the process in the absence of a catalyzing event, (e.g., lack of a regulatory mandate such as the Sarbanes Oxley Act or the belief that current risk management efforts are satisfactory)
- A limited internal capability
- Inadequate infrastructure, including tools and technology support, giving rise to multiple processes and inefficiencies
- Insufficient resources dedicated to training, education and awareness activities to aid in the adoption and sustainability of new processes.

Project 13 – Culture Change

Current Status

Progress	Challenges	Resources	Overall
			

Main achievements

The Culture Change Team has finalized the Vision Statement. This will be shared with JAC/FAR, Reform Support Group, and eventually with SMT with views on best ways to implement it in our work at FAO. We have also increased our field outreach activities. Culture Change Sub-teams have recently travelled to Cairo and Accra. Visits to Budapest and Santiago are in the pipeline.

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Issues and risks

The field colleagues of the Culture Change Team have identified an increasing gap between the progress made at HQ in terms of culture change and what is still to be done in field offices. A majority of staff members in decentralized offices are still unaware of the CCT initiative, despite emails to FAORs and our encouragement to visit the CC website. The team continues to seek ways to increase its presence and activity in the field for staff consultation and development of action steps, particularly those possible within offices.

Project 14 – Human Resources**Current Status**

Progress	Challenges	Resources	Overall
			

Main achievements

A number of actions have already been initiated by the Human Resources Division on 16 of the 25 IPA activities listed under this project. Preliminary policies have been formulated on the Junior Professional and Mobility Programmes and are currently subject to the consultative process, the Internship policy has been endorsed by senior management and will be implemented as of 1 May 2009, proposed policies on selection criteria and hiring of non-staff have been developed and are currently under review by senior management, the project initiation document on HR Management Information Reporting has been developed jointly with KCT and a project team & board have been established to oversee the implementation of this project, PEMS is in its pilot phase which proceeding according to plan, the project on the revision of the Manual and the establishment of a Compliance Unit is proceeding as scheduled (see Project 10 above) and a three activities are on-going as part of stage 2 of the Root and Branch Review (namely defining a new role for the HR function, transfer of low value added/transactional activities to the SSC and the review of the accountability framework).

Issues and risks

The project has a number of initiatives and activities envisaged for implementation in support of the 25 IPA activities falling within the framework of the Human Resources project. The challenges consist of essentially ensuring an appropriate prioritization and sequencing of the actions in order to secure the effective delivery on all the actions outlined in the plan and thus the ultimate objective of enhancing the HR function within the Organization. While measures have been taken to develop policy proposals and the requisite preparatory frameworks for the various initiatives and actions related to the target IPA activities, their effectively and timely deliver is subject to the availability of adequate resources as indicated in the IPA plan. As the dates for implementation (as envisaged in the original timeframes approach), these funds become critical for the delivery of the planned actions and the overall success of this project.

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Annex 2 – Trust Fund status as at 8 April 2009**Trust Fund for Implementation of the Immediate Plan of Action for FAO renewal****Contributions (US\$) to IPA Trust Fund**

Country	Type of Pledge	Amount pledged	Amount received
Austria	MOU signed 12/12/08	65,933	65,933
Australia	MOU signed on 7/04/09	100,000	
Brazil	C 35 statement	100,000	100,000
Belgium	MOU signed 26/03/09	250,000	250,000
Cameroon	Brief Perm Reps 7/04/09	21,739	
Cyprus	Contribution	9,186	9,186
Estonia	MOU signed 31/12/08	4,000	4,000
EC	Let/ODG/9/01/09	1,200,000	
Finland	C 35 statement		
France	Let/ADG-AFD/17/02/09	900,000	400,000
Gabon	C 35 statement		
Germany	MOU signed 5/12/08	906,736	906,736
Greece	C 35 statement	86,338	86,338
Italy	NV received 11/02/09	1,000,000	1,000,000
Ireland	Let/ODG/29/12/08	142,638	142,638
Japan	C 35 statement		
Mauritius	C 35 statement		
Mozambique	N V received 22/01/09	1,765	
New Zealand	MOU signed 16/02/09	70,000	70,000
Slovakia	Contribution	44,000	44,000
South Africa	C 35 statement		
Spain	C 35 statement	600,000	
Switzerland	2 MOUs signed 28/01/09	301,434	301,434
United Rep.of Tanzania	MOU signed 25/03/09	19,975	19,975
United Kingdom	Est pledge/draft MOU	570,000	
Transfer IEE Trust Fund		591	591
TOTAL	25 PLEDGES	6,394,335	3,400,831