Executive Summary

1. During the current biennium, the overarching objective of the FAO reform will continue
    to be transforming the Organization into one that manages for results, supported by the
    key areas of functioning as one, human resources reform, and efficiency in the delivery of
    administrative services. These activities will be underpinned by a programme of culture
    change and governing body reform.

2. Good progress with delivery of IPA actions continued to be made during the current
    reporting period. The Organization is fully engaged with implementation and all staff
    members are participating in, and being impacted by reform initiatives.

3. The rollout of such a major reform initiative has associated risks, uncertainties and
    challenges that warrant a major risk assessment initiative. This is being undertaken and
    will consider risks within individual IPA projects, across projects, and at an
    Organizational level.

4. Reform momentum is increasing and the Organization is launching a staff survey to
    ascertain staff perspectives on reform, the impact of reform on staff to date, and which
    communications channels have been the most effective. In this way the Organization can
    make comparisons with staff views reported in the IEE report, benchmark current
    perceptions to aid tracking as we move forward on reform, and gain feedback from staff
    on the most effective communications channels to better focus our future communications
    efforts.

5. The full results of the risk assessment together with initial results of the staff survey will
    be reported to the October 2010 CoC-IEE meeting.

6. The format of this report reflects requests from Members to specifically address key
    issues including culture change, the impact of reform on Decentralized Offices (DOs), and
    the build up of the reform programme for 2012/13.

7. The nature of activities so far performed across the IPA Programme represent for many
    projects an investment and preparatory work which establishes the basis for increasing the
    pace of results in the second part of the year, the visible changes, and the outcomes
    foreseen in the IPA.

8. Some notable major achievements have already been accomplished. In this reporting
    period they cover the area of Human Resources where the new performance appraisal
    system (PEMS) has now been rolled out to all staff at Headquarters (HQ) and DOs.
    Virtually all FAO staff members have already completed their 2010 PEMS agreements.
    This is most important because it provides comprehensive feedback and development to
    staff, and links individual staff actions to the biennial work plans that have been prepared
    for the Organizational Results within Strategic and Functional Objectives. Also in the
    area of Human Resources, gender and geographic representation targets have been
    prepared for all departments and offices in line with those in the Medium Term Plan. The
    Management Leadership Programme is also progressing well, with the Management
    Development Centre and Coaching Programmes on track to meet targets, and the tender
    for the Management Curriculum in progress. The Junior Professionals Programme has
    been launched and the Rotation Policy and Gender Action Plan are in the consultation

----

phase. The HR Management Information System is also ready for launch.

9. Governing Body reform is also progressing. The Multi year Programme of Work of the Programme Committee was endorsed in May 2010 and that of the Finance Committee is underway. The Programme Committee and Council endorsed a series of process measures to ensure that the Regional Conferences and Technical Committees provide structured advice on priorities for the technical work of the Organization. The first three Regional Conferences held in 2010 provided their inputs on technical priorities, the structure and functioning of the Decentralized Offices, and on the Shared Services Centre.

10. Delegation of authority to staff in Decentralized Offices is moving ahead rapidly and extensive training and support for example on procurement and on the assumption of TCP responsibilities and administrative duties previously undertaken at HQ, has been provided from HQ to aid in the smooth transition of functions.

11. These are specific examples of changes taking place as the Reform gradually impacts the way the Organization works delivering for results and functioning as one under better governance.

12. The total budget for IPA in 2010/11 is USD 42.95 million of which 50% or USD 21.98 million has been allocated to Project leaders for 2010. Project leaders have estimated their projected monthly expenditure for 2010 and this indicates a slow start to the year, with firm forecasts of increased expenditure in the second half of 2010.

13. Current expenditure to end May amounts to USD 3.71 million, which is at the projected level. Expenditure will continue to be carefully monitored and an updated financial position at project and programme levels will be reported to the next meeting of CoC-IEE, with detailed financial reporting to Finance Committee in October 2010.

Introduction

14. This progress report on IPA implementation is the second in a series of three progress reports for 2010, with the third progress report scheduled for the CoC-IEE meeting in October 2010.

15. The format of the progress report has been modified in response to requests from Members to include information relating to culture change, the impact of reform on Decentralized Offices (DOs), staff communications, risk assessment, and the preparation of the reform programme for 2012/13.

16. The report comprises three sections and four annexes:

    Section 1 – Main achievements in the current reporting period and objectives for the next period: describes the main IPA achievements in the reporting period April to June 2010 and the main objectives for the period July to September.

    Section 2 – Key focus areas: describes the activities and impact of the reform programme in a number of key focus areas. The areas covered in this report are culture change, impact on DOs, staff communication, risk assessment, and planning the 2012-13 IPA Programme.

    Section 3 – IPA Funding and Expenditure: updates pledges and contributions to the IPA Trust Fund and reports on IPA budget and expenditure in 2010.

    Annex I – Detailed achievements in the current reporting period: provides detailed project-by-project information on achievements and major activities in the period April to June 2010.

    Annex II – Planned activities in the next reporting period: provides detailed project-by-project information on planned activities, significant milestones and risks for the next reporting period July to September 2010.

    Annex III – IPA Trust Fund: provides the status of receipts and pledges for the IPA Trust Fund as at 21st May 2010.

    Annex IV – 2012 / 2013 Programme: provides a preview list of 2012-13 IPA programme activities.

Section I

Main Achievements – April to June 2010

17. Key achievements for this period are highlighted below. A detailed table comparing the actual achievements in the period April to June 2010 with those projected in the report to the CoC-IEE in April 2010 appears at Annex 1.

18. Many of the key achievements for this period are in the area of Human Resources. A report on the progress achieved in delivering the major products and services in support of the implementation of the corporate HR strategic framework was presented to the Finance Committee at its 132nd Session held in April 2010 (document FC132/8). This report also

----

provided a clear indication of the progress that had been attained on all the main IPA activities related to human resources management.

19. Implementation of the new Performance Evaluation Management System (PEMS) across the Organization is on track and all staff across the Organization have been trained on PEMS, and have completed or are in the process of completing their 2010 performance agreements. This is a major achievement, following a very extensive and complex roll-out programme, the success of which is in part due to the comprehensive training and support provided by the HR division and to the willingness of staff to participate in this new exercise. 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 and Organization-wide agreements provide a solid basis for development of our staff.

20. The Junior Professional Programme (JPP) was developed following extensive consultation and endorsed in May 2010. Implementation of the Programme commenced in June 2010, with the first cohort of Junior Professionals scheduled to commence in September 2010. The programme explicitly targets young candidates from non- and under-represented developing countries, in addition to women.

21. Significant progress has also been made in finalizing the draft of the Human Resources Strategic Action Plan on gender balance that proposes a suite of measures to increase the percentage of women in professional and higher level positions within FAO. The formal consultation process is now underway. Departmental/office geographic and gender targets for 2010 have also been prepared in a corporate effort to meet the overall Medium Term Plan targets.

22. A draft Staff Rotation Policy has been produced and finalized. When endorsed during the next quarter, this policy will support IPA action 3.61 – "Establish an incentive based rotation policy in HQ and between HQ and the Decentralized Offices with clear criteria".

23. Major steps have been taken to consolidate HR data from different transactional systems in a Human Resources Management Information System, and to generate a suite of core HR planning reports for a June 2010 pilot release. This is in support of IPA action 3.72.

24. A comprehensive database of educational establishments and institutions has been created and is being continually updated to ensure wider circulation of FAO vacancy announcements, in support of IPA action 3.64. In April 2010, a communication was sent to all Permanent Representations of non- and under-represented countries to encourage them to populate the database with names and addresses of institutions, at which candidates from target groups (professional women and non- and under-represented countries) might be employed, affiliated or studying.

25. Concerning programming, budgeting and results-based monitoring, all organizational units completed their 2010-11 operational work plans as a basis for implementation, monitoring and reporting, as well as for preparation of PEMS agreements. A peer review panel selected seven of the 19 proposals received for biennial funding totaling USD 2.7 million from the Multi-disciplinary Fund, aimed at cross-cutting and multi-location work by strategy teams and core functions.

26. The Secretariat supported discussion of the process of prioritization of the technical work of the Organization by the Programme Committee and Council, which endorsed a series

----

of process measures to ensure that the Regional Conferences and Technical Committees provide structured advice on priorities. As a result, the Independent Chairperson of the Council (ICC) was able to advise the first three Regional Conferences on how to provide clear recommendations on areas of regional priority action. The Secretariat prepared supporting documentation on priorities for the June sessions of the Committee on Commodity Problems (CCP) and the Committee on Agriculture (COAG) in line with guidance provided by the Programme Committee and Council. The ICC and Secretariat also engaged with the Chairs and Bureaux of the Technical Committees on the approach to handling the discussion of priorities in their 2010 Sessions.

27. The transfer of primary responsibility for supervising technical and substantive aspects of FAORs to the Regional ADGs has been successfully completed, marking another change compared to the way the Organization worked prior to initiating the reform process. The Office of Support to Decentralization (OSD) is providing transitional support to Regional Offices as necessary, including training missions to four Regional Offices to help them take over these tasks, and the establishment of a help desk to provide backup.

28. The Technical Cooperation Programme (TCP) is proceeding with the recruitment process for Regional TCP officers in close consultation with the Regional Offices. A significant training effort has been undertaken of staff both at HQ and in field offices and the TCP Manual has been published for the first time in Russian to facilitate the use of the TCP, particularly in Central Asia. A preliminary risk assessment on TCP decentralization was conducted by TC in cooperation with technical divisions, and related measures have been introduced to address issues relating to monitoring and quality assurance.

29. Information Technology achievements include upgrading of the network capacity for an additional 33 countries, resulting in a total of 43 countries upgraded in 2010, and the provision of high definition video conference facilities to improve communications between Regional Offices and HQ - now fully functional in 3 Regional Offices – Regional Representative for Europe and Central Asia (REU), Regional Representative for Latin America and the Caribbean (RLC), and Regional Office for the Near East (RNE).

30. In terms of inter-agency cooperation, one of the most relevant achievements is with the Common Procurement Team (FAO, WFP and IFAD). The Charter was signed by all three Agencies in June and the annual tender plan has been finalized. The team will have awarded contracts for Re-mailing and IT consultancy services resulting from joint collaboration and tender activities, a tender for mobile telecommunications has been issued and six additional joint tenders are being finalized for issuance in June/July. In the areas of emergency programmes, the three Rome Based Agencies have made headway in working closely on global cluster on food security and agriculture under the humanitarian context. A successful example is the Joint Task Force on Haiti and joint emergency relief operation and medium and long term programme on rehabilitation.

31. In the area of culture change one of the identified "quick wins" was achieved with the issuance of long-term HQ building passes for staff travelling to Rome from DOs – a small step overall but significant in terms of the culture of working as one Organization. Action plans for culture change activities have been developed in DOs, including suggestion boxes to channel the concerns and issues raised by staff, award schemes for staff, assessing training needs for staff, and creating or revamping staff newsletters.

----

32. With reference to Oversight, the Programme Committee endorsed at its April 2010 session the Charter for the Office of Evaluation, subsequently approved by Council at its May session.

33. In terms of the Governing Body reform, the Programme Committee approved its first Multi-year Programme of Work 2010-13, which was endorsed by Council. Council also endorsed recommendations made by the CCLM on amendment of the Rules of Procedure of the Technical Committees and noted the establishment in April of the Open-Ended Working Group (OEWG).

34. Council approved the procedure for addresses to Council by candidates for the office of Director-General and recommended the adoption by Conference of a similar procedure for such addresses to Conference.

Main Objectives – July to September 2010

35. For the next reporting period (July to September 2010), Project leaders will be focusing on a wide range of objectives, of which the most relevant are noted below. Full details are provided at Annex 2, where Project leaders are also reporting on the most relevant milestones for the period and providing an assessment of the major risks to be met. In this regard a major risk assessment is underway with the objective of identifying the main risks facing the IPA programme and the proposed mitigation measures.

36. To further establish the foundation for results-based management linked to enterprise risk management the focus will be on finalizing and agreeing the responsibility and accountability framework, putting in place a monitoring and reporting system with associated training, and designing the country-level planning pilot project. A synthesis document on the outcome of discussion on priorities by the Regional Conferences and Technical Committees will be prepared for consideration by the Programme Committee at its October 2010 session.

37. The Technical Cooperation Programme (TCP) will continue to ensure training and deployment of staff to the Regional Offices and will also give priority to the roll-out of new FPMIS-based project management modules, while the Decentralization activities will concentrate on building Regional Office capacity to manage new responsibilities.

38. In terms of Partnerships, there will be a harmonization of guiding principles on partnerships across the Organization, a stocktaking of corporate partnerships, new communication materials that promote FAO's corporate approach to partnerships and the strategy on Partnerships with the UN system will be updated and finalized.

39. The Information Technology project will upgrade the network capacity for additional 10 countries and complete the implementation of high definition video conference facilities for the remaining two Regional Offices. The Project will also complete development of a revised IT Governance proposal.

40. The IPA projects impacting on Human Resources will work on meeting objectives highlighted in the Corporate HR Strategic Framework and Action Plan. These include progress on the Advanced Management Leadership Programme tender, the FAO Virtual Academy, formal consultation on gender plan, and initial recruitment of Junior

----

Professionals. The Human Resources Committee will also be reactivated, as recommended by a review conducted by Ernst and Young.

41. The reform of administrative and management systems has set some important milestones to be achieved including improved results from the revision of Manual Section 507 on Letters of Agreement, working towards the finalization of vendor management policies and procedures and continuing to deliver the required training, especially in the field, on several ongoing activities (e.g. revised MS 502; advanced procurement; field offices). Attention will also be focused on developing a plan to implement the recommendations put forward in *"A plan for strategic procurement in FAO emergency operations"*.

42. The reform project to revise the FAO Manual will launch a tender and solicit proposals for a simplified framework as well as documenting stakeholder's main needs and issues.

43. The Culture Change project has set several important objectives, commencing with developing a major change management training programme to build capacity for change among all leaders and managers. Other objectives relate to developing an action plan for implementing the new internal vision of FAO, planning for outreach to DOs as required and fostering team building exercise and capacity development for the Culture Change Team.

44. In terms of the Governing Body reform, the CCLM will adopt its Rules of Procedure and Multi-year Programmes of Work 2010-13 while the Finance Committee and Council will draft their Multi-year Programme of Work 2010-13. A set of draft Rules of Procedure for the Regional Conferences will be developed.

45. Management support measures to the IPA programme foresee as main objectives the finalization of the Risk Assessment, launch of the Staff Survey, preparation and implementation of the Communication Plan with preparation of a progress report for October CoC-IEE and Finance Committee meetings.

Section II - Key focus areas

Culture Change

46. At the request of Members, this section of the report focuses on the wider processes of uptake and actions regarding organizational culture change, our working definition of which is: "the underlying assumption, values, norms, tangible signs and behaviours of all employees... recognized by its members as 'how we work here'". There are a range of concrete changes and visible shifts in the way FAO employees and managers are working together. This can be characterized by a shift away from passive acceptance of the status quo, as noted in Chapter 6 of the IEE report, to active participation in shaping the FAO of the future. This is evidenced through the increased use of participatory processes for work planning and decision making as well as an increase in facilitated events taking place. There are greater levels of information and knowledge sharing, and increased efforts to communicate internally.

47. FAO's Internal Vision Statement clearly articulates the desired organizational culture, the values and behaviours that denote a renewed FAO. This was a key deliverable from the Culture Change Team together with proposals on career development and advancement; recognition and rewards; and an inclusive work environment (August 2009 – March

2010). The participatory processes used to create the Internal Vision and the culture change proposals broke new ground within FAO.

48. A most notable participatory process has been the large scale interaction of staff involved in preparing the biennial work plans under the new results based framework. This was supported by departmental/office workshops, meeting of strategy teams and an intensive peer review process. This is just one indicator of a shift in mentality towards greater inclusiveness and a shared sense of responsibility amongst managers and staff. This is further underscored through the completion across the Organization of individual performance management plans (PEMS) completed by 31st May 2010, linked to the unit work plans.

49. A facilitated workshop held in June between the leadership (DDGs, ADGs) and divisional directors of both technical departments and the Technical Cooperation Department is another indicator of a shifting culture towards greater collaboration and multidisciplinary work. A peer review panel has recommended awards totaling USD 2.73 million for 2010/11 for seven proposals for multi-disciplinary and multi-location work submitted by strategy teams and core functions. In addition, an Innovation Fund has encouraged the submission of creative proposals and provided seed money for developing and adopting promising new ideas, for which USD 1.4 million has been budgeted in 2010-11.

50. The change process at FAO has also catalyzed a number of change teams and activities at the local level, within DOs (e.g. RNE and RAP) and within departments and divisions in HQ. At HQ change teams have formed in departments such as ES and TC and AGP, AGA, OCE, CSC and CSA.

51. At the departmental level a cross departmental 'guiding team' in ES has been established to focus, not only on what they do (unit results contributing to Organizational Results), but how they will work together to achieve these results. ES has customized their own 'ES Mission, Vision and Values' statement that speaks directly to the contribution ES will make to FAO's wider goals. The guiding team received training in team- based work and in communication, and has developed and shared a list of best practices in order to support colleagues. These best practices are underpinned by a desire for greater transparency and participation – examples include: holding regular meetings attended by all staff regardless of contractual arrangement; access to the divisional budget and divisional discussion regarding the allocation of resources.

52. As a result of the launch of FAO's Internal Vision, new web streaming technology has changed the way HQ events are organized with the de-facto arrangement now being to include DOs in Organization wide events where possible. The web streaming was first used during Vision Day on 5 November 2009; other examples are the Management and Organizational Effectiveness Forum held in January 2010 and Staff Day held in April 2010.

53. Within FAO's Emergency Programme (Strategic Objective I) an 'action group' comprised of decentralized and HQ staff was created to develop a new strategy for emergency operations. With the vast majority of emergency operations and rehabilitation staff based in DOs, the action group made a conscious effort to change how strategies are developed in FAO. Once completed the launch of the strategy was broadcast, using FAO web streaming technology, to field offices – another example of FAO working as one.

----

54. An illustration of change teams working at the office and divisional level is in AGA. AGA's 'guiding team' held a facilitated retreat to develop their unit results whilst at the same time considering 'how' they need to work differently to achieve these new results. AGA is also developing an intranet site to increase collaboration especially with colleagues in DOs.

55. Discussions on culture change have taken place within various country offices and many more offices used the opportunity during Staff Day on 20 April 2010 to hold further discussions on culture change, and these have been posted on the Staff Day intranet site. Within regional offices, 'local change teams' in Accra and Cairo have developed action plans foreseeing several activities ranging from making proposals for award schemes to be established for staff, assessing training needs, raising staff concerns and issues and re-vamping staff associations and newsletters.

56. The local culture change team in Cairo (RNE) has been particularly active, having reflected upon FAOs new internal vision and values and developed an action plan for change. Main achievements to be noted include: higher inter-relation between management and staff as demonstrated by the first joint communication workshop; definition of training plans for 2010-11 and identification of staff developments needs for 70 RNE staff that have thus been put at the same level of peers in HQ. Activities have also covered career-related aspects and development opportunities by reviewing GS staff job descriptions and titles, to be finalised by June 2010, and offering opportunities to assistants to participate in field missions. As a result more discussions are held now with staff before decisions are taken that directly impact on the working lives of staff, such as the new structure of the decentralized office and the new responsibilities of staff as a result of the overall FAO reform.

Impact of reform on decentralized offices

Introduction

57. The changes envisioned by FAO reform have begun in earnest as implementation of the IPA projects gets under way. Staff in DOs are impacted to the same degree as their colleagues in headquarters with the need to complete 2010-11 operational work plans for subsequent implementation, monitoring and reporting, and completing PEMS agreements linking their work to the Organizational Results and Strategic Objectives.

58. These IPA actions are global in nature, but decentralized offices are also responding to a number of reform initiatives that have a specific impact on decentralized offices and it is anticipated that these initiatives, together with a greater emphasis on country, subregional and regional priority setting, will result in an improvement in responsiveness of the Organization's work to the needs of Member countries.

59. However at this point in time these reform activities are in process and are at an early stage of implementation. The impact of these reform measures in the DOs will only emerge over time, and it is too early to consider an impact assessment to quantify or qualify the impact, although it would be appropriate to consider such an impact assessment towards the end of the biennium.

----

60. This section articulates the scope of reform activities pertinent to DOs and the support provided to this major transition.

Scope of activities

61. As part of the Governance reform, the Regional Conferences have become an integral part of the Governing Bodies of FAO. Recommendations from the Regional Conferences will therefore influence decision making on corporate strategic direction. In 2010, to date three of the Regional Conferences (Africa, Europe and Latin America and the Caribbean) have exercised new responsibilities by providing inputs on prioritization of the technical work of the Organization, the vision and functioning of the DO network and a proposed global Shared Service Centre.

62. The IPA Decentralization Project includes transfers in delegation of authority from Headquarters to Decentralized Offices and changes in reporting lines. The primary responsibility for the technical and substantive supervision of FAORs now rests with Regional ADGs, with the reporting line to the ADG through the Subregional coordinator, where appropriate, and technical staff in the regions are now under the Regional ADGs.

63. Changes have been introduced in the area of procurement where greater delegation of authority has led to a significant empowerment of regional and local offices for managing procurement. This includes a major increase in the delegated authority of field offices to procure goods, works and services and increased delegation of authority for issuing Letters of Agreement with NGOs, Government entities and other non-profit institutions in connection with emergency operations.

64. In addition the responsibility for a large share of the TCP resources and for the project approval process has been transferred from HQ to decentralized offices. The Regional Representatives have thus become responsible for the distribution and monitoring of the regional TCP allocation in accordance with Governing Body guidance, while all decentralized offices have been delegated the responsibility for the formulation and approval of TCP projects, except emergency and interregional projects.

65. There has been a significant and increasing volume of business carried out by DOs, and 2009 disbursements by field offices were nearly USD 500 million - double the level of 2005. The administrative and system support available to the field is inadequate and needs to be significantly improved. In particular, the current Field Accounting System (FAS) devised over 10 years ago is no longer fit for purpose as it does not capture some key financial data, has little integration with corporate systems and does not support the new requirements for International Public Sector Accounting Standards (IPSAS). Implementation of a new system and processes is essential to support the level of business being carried out in the Decentralized Offices and the scope of the Organization's IPSAS Project has been extended to include the replacement of FAS. DO requirements for the new systems and processes have been gathered by means of secondments of DO staff to HQ, surveys, and workshops with key staff from DOs. The new system will represent a major change, above all for administrative staff in DOs who will be required to both change their current working practices and support new requirements and workload.

Support provided

66. Providing adequate training and monitoring for all of these activities is of great concern to the Organization. Extensive training is being carried out at Headquarters and in DOs for decentralized personnel in all areas mentioned in this report: management leadership, Results Based Management, work planning, procurement, and IPSAS. As more delegation of authority takes place, methods for benchmarking and performance assessment will also be put into place.

67. In terms of the transfers in delegation of authority from OCD in Headquarters to Decentralized Offices, pending recruitment of new staff in the Regional Offices, the Office of Support to Decentralization (OSD) is providing coordination and liaison between regions, and other support to Regional Offices as necessary. Training missions have been mounted by OSD to four Regional Offices to help them take over these tasks and a help desk has been set up to provide the necessary backup.

68. Delegation of responsibility from OCD to the Regional Office for Asia and the Pacific (RAP) was implemented at a rapid pace, between February and April 2010. Following the OSD training and handing over mission in late April, RAP is now establishing working procedures and the necessary support functions for the FAOR Network. Staff directly responsible to the ADG regarding the FAOR Network will be recruited shortly and temporary arrangements are in place.

69. RAP finalized the formulation of a Regional Priority Framework in which five focused areas of priority actions are identified to translate FAO's corporate strategic framework into regional actions. The Regional Priority Framework will be submitted to the Regional Conference in late September 2010 for formal approval.

70. In the case of RLC, a Planning Unit is being established in order to better articulate the operation of the Regional Office vis a vis Sub-regional and Country offices. In this respect, it is worth noting the recommendations of LARC 31 (Panama, April 2010) on rearrangements of coverage of Sub-regional Offices and Multi Disciplinary Teams.

71. In support of the increased delegation for procurement, intensive training is being carried out in the field with staff from Regional, Sub-Regional and Representation Offices as well as Emergency Coordinators and other project staff involved in procurement activities.   To date, more than 350 staff members in decentralized offices have participated in a five day procurement training programme. This training initiative may be expanded in the future to include training of trainers.

72. To support the DOs in assuming their new TCP responsibilities, staff is being selected and appointed to assist the Regional Representative to manage the TCP allocation and to provide support to the decentralized offices in the regions. Several HQ training missions have been launched (e.g. missions to REU and RAF to train regional staff involved in TCP, emergency coordinators and FAO Representatives from the countries in West-Africa and the Sahel). In addition, new tools and the required guidance material has been prepared and rolled out to the decentralized offices to assist them with the management of their new responsibilities.

73. It is without doubt that the decentralization of the TCP constitutes a challenge for all levels of the FAO decentralized structure. One challenge remains the need for project

----

documents to be technically cleared by LTUs at HQs. However the on-going effort, led by TC on the enhancement of the Quality Assurance Framework for the field programme and in particular the review and update of the project cycle, aims to identify solutions to facilitate on-line clearance of projects documents on the basis of agreed corporate standards regardless of location. However, many offices are gradually increasing their familiarity with the new management model and, although using mainly short-term staff, the Regional Offices have been effective in supporting the decentralized offices and will become even more so once all the permanent staff has been selected and has become operational.

74. As at end May 2010, 57 projects had been approved in accordance with the new model and the pipeline of additional projects is healthy. RAP has established permanent operational and management function with the fielding of P-4 TCP Programme Officer in January 2010. Since November 2009 till May 2010, a total of 29 TCP projects were approved in this region.

75. Furthermore, to support the DOs in their increased responsibility for resource mobilization, a capacity needs assessment questionnaire has been recently sent to them. The analysis of the responses will enable TC Department to develop appropriate training and informational tools/instruments.

76. The Field Programme Support Network (FPSN) is now comprised of operations staff in the subregional offices as well as in the regional offices, who with colleagues in TCSR and TCDM, provide operational, monitoring and reporting support to budget holders in country offices. TCSR, with the other members of the FPSN, has launched the first (to RAF) of a series of joint missions to the regional offices to assess the status of the pipeline and of delivery of ongoing projects, with a view to addressing and correcting potential bottlenecks.

77. As more functions and responsibilities are devolved to the decentralized offices it is essential that information technology facilities provided to these offices are upgraded so that staff in the field have access to the same corporate systems as their HQ colleagues. The ICT telecommunications infrastructure is being upgraded to further develop the capacity of DOs on the FAO global network and to enable their staff to use a wider range of FAO applications. Within 2010 the network has been upgraded in 43 countries.

78. Greater involvement of Regional Offices in corporate decision making was mandated by the IPA. This has required improvements in video-conferencing facilities to improve the contribution of Regional Office staff in HQ meetings. In this regard high definition video conferencing facilities have been provided to three Regional Offices (Europe, the Near East and Latin America and the Caribbean); with other installations planned as telecommunications facilities permit.

79. A key requirement for decentralized offices in carrying out their new responsibilities is access to accurate and timely management information. In addition to the actions to improve the network, a new Management Information System is being introduced to allow DOs to more readily access reports with the relevant information, presented in a more user friendly format, and eliminating current performance issues associated with accessing the corporate Data Warehouse from remote locations. Delivery of key financial reports will be initially rolled-out to five offices with all remaining offices expected to be added within 2010.

Future reporting

80. As indicated earlier, it is not possible at this stage of implementation to undertake an impact assessment. However, a full assessment will be undertaken towards the end of the biennium when transitional issues have been resolved and the impact on improvement in responsiveness of the Organization's work to the needs of Member countries can be gauged.

81. However, senior staff from Regional Offices will be fully consulted in the Risk Assessment exercise currently underway, and further information on the risks associated with the process of implementing these delegated authorities will be reported.

Staff Communication and Engagement – Staff Survey

82. The reform momentum is increasing as IPA actions are implemented and attention now focuses on the uptake of IPA actions by employees throughout the Organization. This requires a strong communication and engagement strategy to align staff with FAO's global goals and objectives and to create an environment conducive to multidisciplinary and team-based work.

83. A Communication and Engagement Officer has been appointed within the IPA Core Group and a communication strategy and plan is under development. Early actions to undertake in the Organization will focus on the following key areas.

- **Organization wide staff survey** will be carried out in the period July-September to set a benchmark for the IPA activities against which later success can be measured. This survey will revisit issues raised in the IEE survey (2005) and measure shifts in knowledge, attitudes and perceptions of staff throughout the Organization regarding its Renewal. The findings will be widely shared with Members and staff and this data will be used as a basis for the future interactions with staff. In line with practices undertaken in other UN agencies, a staff survey will now become a regular mechanism for measuring organizational effectiveness and listening to staff views. In this way the Organization can make comparisons with staff views reported in the IEE report, measure staff perception on progress on IPA implementation, benchmark current perceptions to aid tracking as we move forward on reform, and gain feedback from staff on the most effective communications channels to better focus our future communications efforts. Initial results of the staff survey will be reported to the CoC-IEE in October 2010.

- A **staff communication and engagement plan** will be developed in the period July-September with early actions beginning in June. The communication plan and activities will include a communication campaign on key messages, capacity development (coaching and communication toolkits for senior and line managers), facilitated meetings, and focused group discussions (face to face and online). Another early action will be to work with the leadership teams (senior management/ IPA leaders) to develop the key messages on FAO Renewal. Such messages are developed by exploring questions such as: What does a Renewed FAO look and feel like? How will we know the IPA has been successful? The findings from the staff survey will be incorporated into the plan as the data becomes available.

Risk Assessment

84. At the April meeting of the CoC-IEE, it was reported that an assessment of the risks to the successful completion of the IPA programme will be undertaken. As the speed of reform quickens and the impact increases the timing is now right for this risk assessment to be undertaken. The Office of the Inspector-General has hired an internationally recognized expert to assist with this assignment. The main phase of the work will be undertaken in June and July with a view to producing a final report by mid-September 2010.

85. To produce the risk assessment, the team will be drawing its evidence from interviews and workshops with project managers, senior staff responsible for the IPA programme and key staff, especially in DOs, who are being impacted by the reform. The techniques to be used to catalogue, rank and consolidate the different risks identified through this process.

86. The risk assessment will produce a report containing a prioritized list of the main risks facing the IPA programme, the proposed mitigation measures, and a recommended methodology to update the risk register. Lessons learnt from this exercise will be applied in the development of the wider Enterprise Risk Management project. Presentations on the risk assessment will be made to the meetings of the CoC-IEE and the Finance Committee in October 2010.

2012-13 IPA Programme

87. At the May 2010 session of Council, Members requested a preview of the IPA 2012-13 programme. As a starting point for the 2012-13 IPA programme, management took into consideration two areas:

- some IPA actions contained in the draft PWB 2010-11 (PC 102/3 – FC 128/11 a) Rev. 1) considered by the Programme and Finance Committees in July 2009 that were eliminated or reduced in the PWB 2010-11 proposed to Conference (C2009/15) as a result of management reducing scope, extending timeframes, or delaying proposed start dates. These management actions were taken to reduce the financial impact of the IPA programme for 2010-11 from USD 59.86 million (proposal July 2009) to USD 38.61 million (PWB 2010-11) and to mitigate risk, as reported in document C2009/7.

- 2012-13 estimated costs and savings of the Root and Branch Review (RBR) recommendations (as reported to the CoC-IEE meeting on 5 June 2009).

88. Annex III provides an initial list of the 2012-13 IPA programme actions based on the above areas, adjusted for realignment of actions within projects as reported at the April 2010 session of Finance Committee (FC 132/12 – para 10). Comments are included to provide the reason for inclusion of actions within the proposed 2012/13 programme.

89. The financial implications for 2012/13 depend upon decisions to be taken to restore or maintain reduced scope for some IPA actions in 2012/13, and are also subject to a confirmation of estimates established in 2009. In addition, further work will need to be undertaken to ascertain the impact on RBR 2012/13 costs and savings where decisions were taken to delay the start, or extend the timelines, of the associated actions.

90. The impact on assessed contributions can only be judged when the split between ongoing and one-off costs in the 2010/11 IPA programme is confirmed, the ongoing costs from IPA 2010/11 added to the RBR 2012/13 costs, and to the costs of IPA actions delayed from 2010/11 to form the 2012/13 IPA programme. This work will be undertaken and the resulting financial information provided to the CoC-IEE and Finance Committee in October 2010.

Section III - IPA Trust Fund

91. The IPA Trust Fund remains open to contributions and as at 21 May 2010, it had received contributions amounting to USD 8,802,655 and confirmed pledges for a total of USD 9,012,528.

92. Management is grateful for the recent pledge made by China and contributions made in 2010 by Greece, Indonesia and South Africa. Adding in the additional contributions received there is an unspent balance of USD 3.34 million (previous IPA Trust fund balance USD 3.08 million + additional recent contributions of USD 0.260 million). Annex IV provides the status of the Trust Fund contributions as at 21 May 2010.

93. Management has contacted the relevant donors as discussed at the CoC-IEE and Finance Committee in April 2010 to sign an agreement for carry over of the unspent amount of USD 3.08 million to the year 2010.

IPA Budget and Expenditure in 2010

94. The IPA programme is a major initiative of the Organization with a biennial budgetary provision of USD 39.61 million approved as part of the 2010-11 appropriation (C2009/15) and a further USD 3.34 million remaining from the IPA Trust Fund. The total budget of USD 42.95 million has been allocated to the individual IPA projects with USD 21.98 million allocated for 2010.

95. To monitor the IPA financials and to gain visibility into the IPA expenditure pattern, project leaders were asked to estimate the expenditure for each IPA action on a month by month basis for 2010. The overall expenditure pattern starting with the cumulative expenditure estimate to May 2010, and monthly expenditure estimates for the period June to December 2010 is shown below at figure 1.

96. The estimated expenditure pattern predicts a lower level of expenditure in the first half of 2010 than in the second half, where monthly estimated expenditures approach USD 3 million. This is due to the nature of some IPA actions which lead to expenditure in the second half of the year and to some large "one time" commitments anticipated for later in 2010 in the areas of Information Technology, Human Resources and Culture Change that are estimated to total over USD 4.0 million.

97. As reflected in figure 1, the estimated expenditure to May 2010 is USD 3.65 million. This compares with the actual cumulative expenditure to May 2010 of USD 3.71 million. Management will continue to carefully monitor the monthly expenditure and will provide a detailed project-by-project 2010 IPA expenditure report at the next CoC-IEE and Finance Committee meetings in October 2010.

Figure 1 – 2010 IPA Estimated Expenditure by month

2010 Monthly Expenditure Estimates

USD Millions

Month	Value
Cumulative to May	3.658
June	2.269
July	2.577
August	1.855
September	2.937
October	2.988
November	3.235
December	2.467

◆ Cumulative Expenditure to May 2010 (USD 3.71million)
▢ 2010 Monthly Estimate