JLIFAD

Enabling poor rural people
to overcome poverty

IFAD Medium-term Plan 2011-2013

Executive Board — 102nd Session
Rome, 10-12 May 2011

For: **Information**

Contents

Appendix

Logical framework 2011-2013

Abbreviations and acronyms

ADM   Administrative Services Division
AGL   Arab Gulf States Liaison Office
ARRI   Annual Report on Results and Impact of IFAD Operations
AUO   Office of Audit and Oversight
CFS   Controller's and Financial Services Division
CGIAR   Consultative Group on International Agricultural Research
CMR   corporate management result
COSOP   country strategic opportunities programme
CPPMS   Corporate Planning and Performance Management System
CSD   Corporate Services Department
DSF   Debt Sustainability Framework
ERMC   Enterprise Risk Management Committee
FOD   Financial Operations Department
G-20   Group of 20
HR   human resources
ICO   IFAD Country Office
IFAD7   Seventh Replenishment
IFI   international financial institutions
IOE   IFAD Office of Evaluation
LEG   Office of the General Counsel
MDG   Millennium Development Goal
NAL   North American Liaison Office
ODA   official development assistance
PBAS   performance-based allocation system
PMD   Programme Management Department
QA   quality assurance
R3   Rome-based agencies
RB-COSOP   results-based country strategic opportunities programme
RMF   Results Measurement Framework
SEC   Office of the Secretary
SEU   Security Unit
SKM   Office of Strategy and Knowledge Management
SWP   Strategic Workforce Plan
ZBB   zero-based budgeting

IFAD-funded operations

Albania
Armenia
Azerbaijan
Bosnia and Herzegovina
Georgia
Moldova, Republic of

Afghanistan
Bangladesh
Bhutan
Cambodia
China
Dem People's Rep of Korea
India
Indonesia
Kiribati
Kyrgyzstan
Lao People's Democratic Republic
Maldives
Mongolia
Myanmar
Nepal
Pakistan
Papua New Guinea
Philippines
Samoa
Solomon Islands
Sri Lanka
Tajikistan
Timor-Leste
Tonga
Viet Nam

Argentina
Belize
Bolivia
   (Plurinational State of)
Brazil
Colombia
Costa Rica
Cuba
Dominican Republic
Ecuador
El Salvador
Grenada
Guatemala
Guyana
Haiti
Honduras
Jamaica
Mexico
Nicaragua
Panama
Paraguay
Peru
Suriname
Uruguay
Venezuela
   (Bolivarian Republic of)

Benin
Burkina Faso
Cameroon
Cape Verde
Central African Republic
Chad
Congo
Côte d'Ivoire
Democratic Republic
  of the Congo
Gabon
Gambia
Ghana
Guinea
Guinea-Bissau
Liberia
Mali
Mauritania
Niger
Nigeria
Sao Tome and Principe
Senegal
Sierra Leone
Togo

Angola
Botswana
Burundi
Comoros
Eritrea
Ethiopia
Kenya
Lesotho
Madagascar
Malawi
Mauritius
Mozambique
Rwanda
Seychelles
South Africa
Swaziland
Uganda
United Republic of Tanzania
Zambia
Zimbabwe

Djibouti
Egypt
Gaza and
   the West Bank
Iraq
Jordan
Lebanon
Morocco
Sudan
Syrian Arab Republic
Tunisia
Turkey
Yemen

Pacific Islands

Kiribati

12-8-2010

Number of projects by country as of 1 January 2010

no ongoing projects

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 9 |

New project in

2010   2011   2012
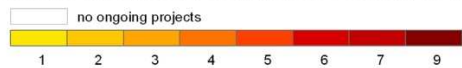
Executive summary

1. Achievement of the first Millennium Development Goal of eradicating extreme poverty and hunger remains unequivocally at the heart of the work of the International Fund for Agricultural Development (IFAD). As the only United Nations agency and international financial institution engaged solely in agricultural development, IFAD has a golden opportunity to catalyze the potential embedded in the rural sector and in agricultural growth. Agriculture offers far-reaching benefits beyond food security, such as viable smallholder livelihoods, meaningful employment and sustainable rural development, including for those escaping from urban poverty.

2. The IFAD Medium-term Plan (MTP) 2011-2013 is guided by the Agreement Establishing IFAD and the draft Strategic Framework for 2011-2015, both of which mandate IFAD to work for agricultural growth and rural development. The draft Strategic Framework presents IFAD's overall and strategic development objectives and goals, and guides its country strategies and projects. It provides the anchor for IFAD's policies and guidelines, ensuring coherence and consistency, and indicates how IFAD will mobilize its human and financial resources. The MTP, in turn, sets out a rolling three-year corporate workplan and describes how IFAD generates outcomes to accomplish its strategic objectives of rural poverty reduction and food security.

3. Published annually, the MTP will be continually reviewed and reassessed for progress made in both implementing activities and achieving outputs. These achievements are measured by indicators and targets in the Report on IFAD's Development Effectiveness issued each December. The findings are then evaluated annually by the IFAD Office of Evaluation in its Annual Report on Results and Impact of IFAD Operations. These instruments reinforce IFAD as a learning organization and assist it in incorporating its evolving experience and knowledge into its business model, strategies and policies to address the challenges of rural poverty.

4. The MTP's logical framework uses a three-year rolling workplan to define the actions that will serve to deliver IFAD's programme of work, i.e. country programmes, loan- and grant-funded projects, technical services, policy dialogue and knowledge management products. It identifies a series of policies and strategies to enhance IFAD's capacity to deliver and scale up innovative development solutions on the ground in order to resolve the challenges of smallholder poverty reduction. The MTP defines the assumptions that underpin effective and efficient execution of these programmes; and it identifies risks that must be mitigated if IFAD's work is to have sustainable development impact.

5. Finally, the MTP identifies resource inputs in the context of IFAD's goals and objectives. This facilitates examination of how IFAD uses its financial and human resources to achieve its planned outputs and strategic objectives, and how the use of these resources will develop as the Fund seeks to deliver greater impact under the MTP's three-year time frame. In addition, IFAD is applying a zero-based results budgeting approach to align administrative budget expenditures with the corporate objectives. It is also using strategic workforce planning to ensure that deployment of its human resources is directly linked to the 2011-2013 programme of work identified in the MTP.

6. To develop its own capacity to respond to the growing demand for IFAD's development services and the expanded programme of work, Management has introduced a change and reform agenda aimed at providing an effective and efficient organizational platform that enables IFAD to deliver on its goals and targets. While these initiatives are reported in the Update on change and reform

implementation document, they also form a central area of activity in the MTP – and underpin IFAD's core operations of producing financing packages and technical assistance for the benefit of smallholder agriculture.

I. Overview

1. Extreme poverty remains a reality for over a billion people worldwide. Three quarters of the world's extremely poor people live in rural areas, and most of them are dependent on agriculture, directly as farmers and farm labourers, or indirectly through agricultural or input supply marketing and enterprises. Many others are dependent on forests, fisheries or other rural activities.[1] Many are landless or farmers with plots too small to provide for their needs. Impediments to their progress relate to a critical lack of access to land, water, financial resources and agricultural technologies and services. These are further compounded by the declining productivity of natural assets due to environmental degradation and risks and vulnerabilities aggravated by climate change.

2. IFAD's analysis of rural poverty is captured in its *Rural Poverty Report 2011*. In the past decade (1998-2008), the incidence of global poverty declined from 61 per cent to 51 per cent in developing countries. Regrettably, rural poverty reduction did not keep pace with this trend, and rural poverty is still experienced by an unacceptable 61 per cent of the rural people in the developing world.

3. The 2007-2008 food price crisis provided a stark wake-up call and called renewed attention to agriculture and the role played by smallholder producers in stabilizing food prices and enhancing global food security. The *Rural Poverty Report 2011* concludes that rural growth needs a comprehensive approach, with agricultural development and the rural youth and women at its core, driving modernization of rural livelihoods across the world.

4. A more comprehensive approach to rural poverty reduction, duly adapted to the many different rural contexts calls for a collective effort. This, however, does not sit comfortably with the myriad responsibilities and mandates of individual ministries or aid programmes. Joined-up mechanisms need to be identified by developing country governments, international aid architecture, the private sector, civil society and rural people's organizations that champion collaboration among social and economic interventions where rural women and men are centrally involved in determining their own futures.

5. The *Rural Poverty Report 2011* points to four principles that should cut across a more comprehensive approach to pro-poor rural growth: **first**, improve the rural environment to provide future-oriented and secure prospects for the rural youth through strengthened infrastructure, information and communications technology (ICT), governance and reduced vulnerability to ill health and women's hardship; **second**, improve the risk management capacity of rural people by strengthening their individual and collective capabilities through education and stronger organizations through enhanced empowerment of women; **third**, strengthen individual capabilities by enabling rural people to take advantage of new opportunities through "up-skilling", education beyond primary schooling and provision of tools for knowledge-intensive resilient agriculture; and **fourth**, strengthen the collective capabilities of rural people to enable them to integrate their interests into the design and implementation of development efforts.

6. IFAD has formulated its draft Strategic Framework 2011-2015 within the context of the current aid architecture and the transforming development environment across the world and in doing so, has strengthened its commitment to its target population, rural poor people. The draft Strategic Framework guides IFAD's investments, depicted in the MTP 2011-2013, towards hundreds of pilot programmes that are catalyzing far greater investment in rural development through scaling up and are generating successful and replicable opportunities, capable of upgrading livelihoods of rural poor people across regions.

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[1] See World Bank, *World Development Report 2007: Development and the next generation* (Washington, D.C., 2006).

II. IFAD's strategic objectives 2011-2013

A. Commitment to agriculture and rural development to attain the first Millennium Development Goal of poverty eradication

7. The first Millennium Development Goal (MDG1) to "eradicate extreme poverty and hunger" is at the heart of IFAD's mission and is where IFAD focuses its attention and work (table 1). Providing an overarching direction for IFAD's policies and guidelines and ensuring coherence and consistency, IFAD's draft Strategic Framework guides the results-based country strategic opportunities programmes (RB-COSOPs) that, in turn, shape IFAD's engagement in its developing Member States.

8. The draft Strategic Framework acknowledges the presence of persistent rural poverty and hunger, which debilitates the lives of some 1.8 billion people who live in the world's rural areas on less than US$2 a day. This group represents a quarter of the world's population, with the undernourished globally accounting for a staggering 1 billion people. The draft Strategic Framework also notes the diversity that characterizes smallholder livelihoods, and the growing differentiation within and among poor householders, which adds complexity to development solutions; the growing integration of rural and urban economies, calling for more compelling value chain analysis; the resource and environmental degradation and climate change that threaten hard-won rural development outcomes; the food price volatility and its underlying causes, pointing to a need to build sustainable smallholder viability and resilience; and the growing need for investment in agriculture that reaches vulnerable smallholder producers, enabling them to make use of the associated opportunities and deal with the accompanying risks.

9. Building on experience and lessons learned, IFAD's strategy is aimed at enabling poor rural people to improve their food security and nutrition, raise their incomes and strengthen their resilience. Achievement of its objectives are measured in IFAD's ability to contribute to achieving MDG 1 and the other interconnected MDGs for universal education and gender equality, with a particular eye to reducing: (i) the share of the global population living on less than US$1.25 a day; (ii) the prevalence of undernourishment; and (iii) the proportion of underweight children (under age 5). This will be achieved through increasing: crop production, value added in agriculture, official development assistance (ODA) to agriculture, and the share of national fiscal budgets allocated to agricultural and rural development.

Table 1
MDGs and global agricultural development indicators

Indicators	Baseline year	Baseline value	2012 target
MDG 1: Percentage of population living on less than $1.25 a day[a]	2005	26	21
MDG 1: Percentage of prevalence of undernourished in population[a]	2002-2004	17	10
MDG 1: Percentage of children under 5 underweight[a]	2005	27	17
Crop production index (1999-2001 = 100)[b]	2006	112.4	Tracked
Percentage of agricultural value added (annual growth)[b]	2004	4.1	Tracked
Level of ODA to agriculture	2007	$4.2 billion	Tracked
Percentage of share of budget allocated to agriculture and rural development[c]	2005	5	Tracked

[a] United Nations, *Millennium Development Goals Report 2008* (New York, 2008).
[b] World Bank, *World Development Indicators 2009* (Washington, D.C., 2009).
[c] In Africa, the New Partnership for Africa's Development (NEPAD) has advocated a 10-per-cent share to agriculture in national budgets. A monitoring system has also been established. For the rest of the world, IFAD will use the statistics compiled by the International Monetary Fund.

B. IFAD draft Strategic Framework 2011-2015

10. Building on the foundation provided by the *Rural Poverty Report*, IFAD's draft Strategic Framework 2011-2015 identifies the objectives for IFAD's work as:

(i) strengthening the natural resource and economic asset base for poor rural women and men to make it more resilient to climate change, environmental degradation, and market transformation; (ii) enhancing access of poor rural women and men to services that are essential for reducing poverty, raising incomes and strengthening capacity to respond to the changing environment; (iii) strengthening capabilities of poor rural women and men to manage profitable, sustainable, and resilient farm and non-farm enterprises or to take advantage of decent work opportunities; (iv) strengthening capabilities of poor rural women and men and their organizations to influence the policies and institutions affecting their livelihoods by improving institutional and policy environments for rural economies, encompassing not only agricultural production, but also the full range of non-farm activities that surround and contribute to the agricultural sector.

11. Like its predecessor (MTP 2010-2012), this MTP provides a planning tool: a dynamic yardstick that enables progress to be tracked as IFAD gains renewed energy under the draft Strategic Framework 2011-2015 to continue responding to the daunting challenge of rural poverty reduction. The MTP will help trace how IFAD – at the macro level – (i) takes on a greater leadership role in rural development processes based on small-scale agriculture; (ii) helps countries scale up successful operations that IFAD supports; (iii) expands its policy engagement; (iv) strengthens its pro-poor partnerships with a range of actors, including other United Nations agencies, public and private donors, and commercial enterprises that can bring investment, assets and services to rural areas to the benefit of poor rural people; and (v) enhances its knowledge broker and advocacy role.

12. Similarly, at the programme and project level, the MTP will help monitor how IFAD: (i) enhances environmental sustainability and resilience in small-scale agriculture; (ii) promotes win-win contractual arrangements to help small agricultural producers seize opportunities at lower risk in agricultural value chains; (iii) supports the development of technologies for sustainable intensification of small-scale agriculture; (iv) increases the capacity of financial institutions to provide a broad range of inclusive services to poor rural people; (v) promotes the development of rural women and men's capabilities (including youth); and (vi) capitalizes on opportunities to use renewable energy sources at the farm and community levels, and promotes low-cost technologies using local resources to provide energy at the village level.

13. The draft Strategic Framework interlaces the Fund's strategic objectives with the issues of gender, targeting and social inclusion, household livelihood and nutrition strategies, and strengthening of food security in households shifting from subsistence to market-oriented and sustainable agriculture and non-farm activities. Finally, it is shaped by an awareness that investments can only be successful if IFAD engages in thematic operations to (i) secure access to natural resources – land, water, energy and biodiversity; (ii) promote climate change adaptation and mitigation measures; (iii) improve agricultural technologies and production services; (iv) promote more comprehensive and inclusive financial services; (v) enable integration into value chains through competitive agricultural input and produce markets; (vi) develop rural enterprises and non-farm employment opportunities; (vii) provide technical and vocational education and training; and (viii) empower rural poor people through effective and sustainable rural producers' organizations.

14. With the emphasis on doing business differently, IFAD will adhere to eight principles of engagement, namely:

(i) **Differentiated approaches based on country context.** IFAD's experience points to a need for tailored rural and agricultural development interventions, driven by strong local ownership stemming from the pertinence of its programmes to the development stage and the variety of contexts that

characterize rural development impediments, with a particular focus on the causes of fragility.

(ii) **Targeting.** IFAD's programme will squarely target the poor rural people, with a view to ensuring that its interventions do not leave any groups behind. Within this broad group of beneficiaries, IFAD's will focus on the particular needs of women, indigenous peoples and the landless.

(iii) **Empowering poor rural people.** Enabling the rural poor to build their own assets, knowledge, skills, confidence and effective collective organizations, and strengthening their capacity to participate in decision-making will amplify IFAD's capacity to successfully enhance rural-sector performance. Inspired by its two-yearly Farmers' Forum meeting (most recently held in 2010), in 2011 IFAD convened a gathering of indigenous peoples' representatives to plan for a high-profile *Indigenous Peoples' Forum at IFAD,* with the aim of holding the first global meeting in 2013. The forum will enable indigenous peoples to focus international attention on their concerns. Similarly, the International Conference on Investing in Smallholder Farmers held in January 2011 has encouraged IFAD to continue organizing annual knowledge-based events to create opportunities for smallholders to discuss issues relevant to smallholder production.

(iv) **Promoting gender equality and women's empowerment.** IFAD will strengthen its focus on gender and women's empowerment by adopting a new gender policy that focuses on rural women's entrepreneurship; their capacity to participate in agricultural markets; environmentally sustainable farming skills; and their equitable involvement in smallholder producers' organizations. The policy will incorporate the recommendations of the corporate-level evaluation of IFAD's performance with regard to gender equality and women's empowerment undertaken by the IFAD Office of Evaluation (IOE) and build IFAD's own capacity to address gender issues by expanding rural women's opportunities to participate in IFAD-supported projects and increasing gender-disaggregated data to improve learning.

(v) **Creating viable opportunities for rural youth.** Systematic engagement of rural youth in agricultural development is essential for meeting the challenge of feeding the global population while safeguarding meaningful and productive future livelihoods for rural youth. At the Governing Council session in 2011, IFAD heard rural youth representatives from across the globe speak of the challenges they face. Indeed, IFAD systematically considers the needs of youth by developing measures and strategies to proactively design initiatives for youth engagement, providing specific training for youth, ensuring access to services – particularly by young women – and seeking their inclusion at every step of its project work, and by identifying partnerships that can be leveraged for greater involvement of rural youth at all levels.

(vi) **Innovation, learning and scaling up.** IFAD recognizes the need to scale up successful development interventions and thus avoid the "micro-macro" paradox of not being able to extrapolate the broader macro-level poverty impact from successful pilot projects. With the support of an external review of its operational instruments, knowledge management, organizational capacity, resource allocation, results measurement and implementation, IFAD is transforming itself from an institution principally focused on innovative, but often small and isolated projects, into one that explicitly and ambitiously creates drivers through which its clients and partners can scale up rural poverty interventions beyond IFAD's limited financial resources. These measures include: (i) adopting revised operational guidelines for scaling up; (ii) including action for scaling up as part of its draft Strategic Framework 2011-2015 – complementary to the innovation and knowledge management

strategies; and (iii) revising key operational procedures to assure that scaling up is appropriately incorporated and to move IFAD from project-focused to programmatic approaches.

(vii) **Effective partnerships and collaboration.** IFAD's success in strengthening its contribution to rural poverty reduction hinges on its ability to capitalize more systematically, selectively and strategically on partnerships and to collaborate with key allies in four domains: (i) projects and programmes: (ii) innovation, knowledge management and scaling up; (iii) policy dialogue, and outreach and advocacy; and (iv) finance and administration. To develop effective partnerships, IFAD will: strengthen existing alliances and develop new ones at various levels; provide investment opportunities for partners; develop strategic public-private cooperation at the local level; review partnerships to ensure that they add value; strengthen its resource mobilization capacity; make use of bilateral arrangements with new donors and foundations; and seek ways to leverage South-South cooperation. IFAD's work is particularly connected with that of the United Nations system agencies, the three Rome-based agencies (R3), other international financial institutions (IFIs), farmers' organizations and the research community, giving it a strong footing in advancing with new partnerships and deepening existing ones for the benefit of its target group.

(viii) **Sustainability.** The sustainability of development outcomes is under threat due to a multitude of risks, which IFAD tracks through its project and programme frameworks with a sharp eye to implementing mitigation arrangements. Rapid changes in the physical and the policy environment, climate and market conditions, the institutional dimension, and economic and social conditions, accompanied by increased fragility and vulnerability to shocks have compelled IFAD to assign high priority to sustainability. Consequently, IFAD is committed to: (i) continuously identifying improvements in project design quality to ensure development impact and sustainability; (ii) promoting national leadership of projects and programmes; (iii) ensuring that these projects and programmes are owned by the rural people themselves; (vi) scaling up sustainable programmes and projects; (v) promoting sustainable public/private partnerships; and (vi) focusing more on the economics of its projects to assure more sustainable outcomes and contributions to economic growth.

C. MTP assessment of preconditions for and risks to sustainability

15. **Political stability.** The MTP logical framework highlights the risks and assumptions that IFAD mitigates to safeguard sustainability and the value added of its investments (see appendix). The greatest risks to rural development and agricultural growth – and by extension to IFAD's success as a development agent – are: political instability and conflict which have the potential to erode development achievements and bring the ongoing implementation of investments to a halt; lacklustre commitment to agricultural development; and constraints on agriculture and rural development funding. IFAD most often works in problematic environments, and thus must protect its development effectiveness by setting realistic objectives and precautionary time frames and, above all, assigning adequate resource envelopes to interventions, which take account of the high operating costs in remote and challenging conditions. With these characteristics in mind, IFAD remains determined to achieve a significant improvement in its efficiency and effectiveness, measurable by the assistance delivered by its internal resources – both human resources and administrative funds.

16. **Conducive policy environment.** To reduce the risk of sudden adverse policy changes, the MTP places paramount importance on policy and regulatory contexts, as these influence the sustainability and success of IFAD assistance. IFAD's country-level policy dialogue process acknowledges that agriculture and rural development

have yet to be fully addressed in many national poverty reduction strategies, which is a risk to the advancement of agricultural and rural development in developing countries. In many of these countries, agriculture ministries have limited capacity to carry out crucial policy reforms, and while poor rural people are finding their voice through stronger organizations, they are still far from being equal partners in shaping the policies that affect their livelihoods. IFAD is quickly becoming a lead advocate of community and national ownership of agricultural development and of the fiscal and political aspects of agricultural investment and proponent of a voice for poor rural people, to ensure that smallholder issues receive the needed attention in government planning and policy processes. In 2011, IFAD is strengthening its institutional capacity to conduct policy dialogue and advocacy at several levels: local, national and regional, and international to draw global attention to the concerns of smallholder producers.

17. **Sufficient funding for agriculture.** The risk of underfunding agricultural and rural development investments was painfully revealed by the 2007-2008 food price crisis. The crisis caused grave hardship among poor people and was a major factor in increasing the number of malnourished people to more than one billion. While agricultural development in the developing world has suffered from reduced public and private investment levels, including reductions in aid funding, IFAD has maintained its charted course – defined in the MTP logical framework – to finance agriculture throughout the developing world with a view to enhancing sustainable agricultural productivity; increasing rural food production, self-sufficiency and food security; raising rural incomes; and improving health, nutrition and education standards and the general well-being of poor rural people. IFAD is committed to scaling up its programme of work, through (i) its resource mobilization activities, including replenishment negotiations with its donor partners; and (ii) strategic partnerships and collaboration, introducing its partners to new forms of assistance and innovation, and fostering new alliances across a range spanning horizontal networks of smallholders to vertical markets and value chains, crucial in expanding opportunities for smallholders to participate in and take advantage of the rising demand for food.

18. **Resilience to external shocks.** The risk of adverse weather, pests and diseases, as well as volatile prices negatively affects farm income. IFAD works with the international community through the Group of 20 (G-20) and other forums to generate consensus on tools to mitigate price volatility risks for rural poor people who are unable to deal with these risks by themselves. Many actions – such as the introduction of disease-resistant varieties, irrigation and drainage systems – can reduce the risks to which farmers are exposed, especially in developing countries. Market-based insurance mechanisms also provide a way to transfer risk and assist farmers in making production decisions. The overarching goal with respect to food price volatility should be to ensure that the most vulnerable people have access to sufficient, nutritious food. All policy interventions should have as their ultimate aim, the elimination of all food insecurity, whatever its cause.

III. IFAD Change and Reform Agenda

19. Underpinning its programme of work is IFAD's Change and Reform Agenda, an initiative launched in 2009, which systematically builds IFAD's capacity to deliver value-adding and catalytic development services at higher volumes each year. In 2010, at the commencement of the Eighth Replenishment period (2010-2012), IFAD faced a new situation: its programme of work had increased significantly, by 50 per cent, creating the momentum to implement a new operating model. In addition, the global food security situation had experienced a paradigm shift triggered by the price shocks of 2007-2008 that directed the development community's attention to the causal factor of underfunding agriculture and rural development. These commitments and changes compelled IFAD to establish a coherent Change and Reform Agenda for building an effective and efficient

organizational platform that enables IFAD to achieve the agreed results. To obtain expert views on the change process, IFAD undertook a number of external reviews, including on human resources (HR) management with a focus on compensation; financial operations under the IFAD Investment Policy; and, most recently, its information and technology services. Assisted by this analysis and with the overall objective of strengthening IFAD's capacity to continue as an international advocate for smallholder producers, the change and reform initiatives (CRs) (depicted in figure 1) are organized under five interlocking pillars: (i) strengthening management capacity and streamlining decision-making processes (CR1); (ii) deepening the HR reforms initiated under the Seventh Replenishment (IFAD7) (CR2); (iii) strengthening financial services (CR3); (iv) increasing transparency and accountability (CR4); and (v) introducing new resource allocation/planning instruments to align resources with strategic objectives and results (CR5).

Figure 1
The pillars of the Change and Reform Agenda
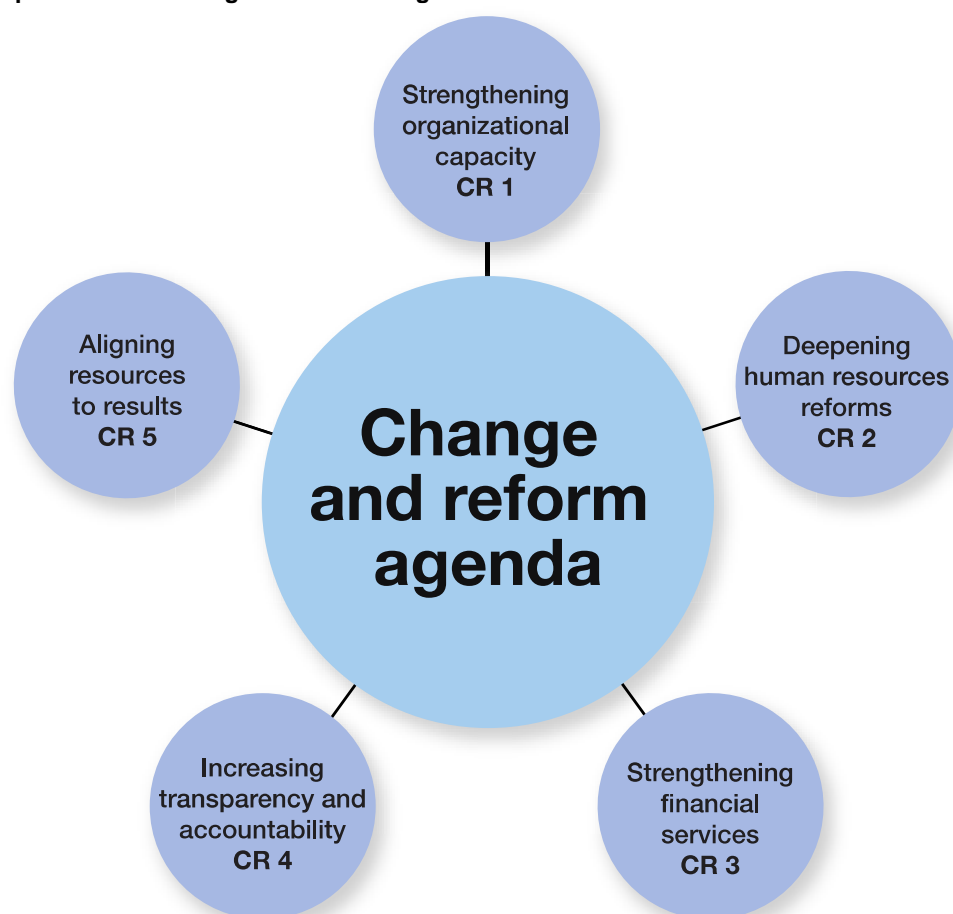
IV. Country strategic opportunities programme outcomes 2011-2013

20. The MTP logical framework (see appendix) describes IFAD's work in terms of its country strategic opportunities programmes (COSOPs), projects, global and regional grant programmes, knowledge management practices and innovations, and policy dialogue on agriculture and rural development. Country programmes, projects and regional grants are the primary tools with which IFAD delivers

development results at the local level as these directly engage smallholder farmers, fishers, pastoralists, small entrepreneurs and poor rural people – in particular, women – as well as the employees of rural businesses, agro-industry and government.

21. To achieve its overarching goal, IFAD must reflect in its outputs (i.e. programme and project results, and national and international policy changes) and inputs (COSOPs, projects, direct supervision and implementation support, country presence, structured knowledge products, policy dialogue and grants for global and regional initiatives) the specific opportunities characterizing the agriculture sector and the long-term challenges of food supply. Under the draft Strategic Framework, operations will aim to achieve: (i) secure access to natural resources – land, water, energy and biodiversity; (ii) climate change adaptation and mitigation; (iii) improved agricultural technologies and effective production services; (iv) more comprehensive and inclusive financial services; (v) integration into value chains through competitive agricultural input and produce markets; (vi) rural enterprise development and non-farm employment opportunities; (vii) technical and vocational education and training; and (viii) empowerment of rural poor people through effective and sustainable rural producers' organizations.

22. IFAD's strategic and country objectives are achieved through its loan and grant programmes and projects in 90 countries. The projected number of COSOPs is based on the objective of having operative country strategies in all countries in which IFAD has a major programme. Six COSOPs were delivered in 2010, 13 are projected for 2011, 12 for 2012 and 6 in 2013 for a total of 31 COSOPs in the MTP period.[2]

23. IFAD's resources are allocated to country loans and grants using the performance-based allocation system (PBAS) which is based on variables that reflect country needs and performance: more resources are allocated as rural populations increase, per capita income declines (need) and performance on rural policy and the project portfolio improves (performance). The PBAS approach includes a special provision for rural sector performance, which is weighted heavily in the overall assessment of country policies and institutions and is the basis for policy dialogue. IFAD reviews the PBAS system continuously to ensure that it remains up to date and relevant, and informed by evolving practices in other IFIs, such as issues relating to fragile states and changes in grant policies.

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[2] To contain costs, IFAD does not prepare COSOPs for countries with only one new operation; in those cases, IFAD's country objectives are described in the project documents.

**IFAD's loans, Debt Sustainability Framework grants, other grants and total cofinancing
(2005-2010 actual, 2011 projected, 2012 estimated and 2013 forecast)**
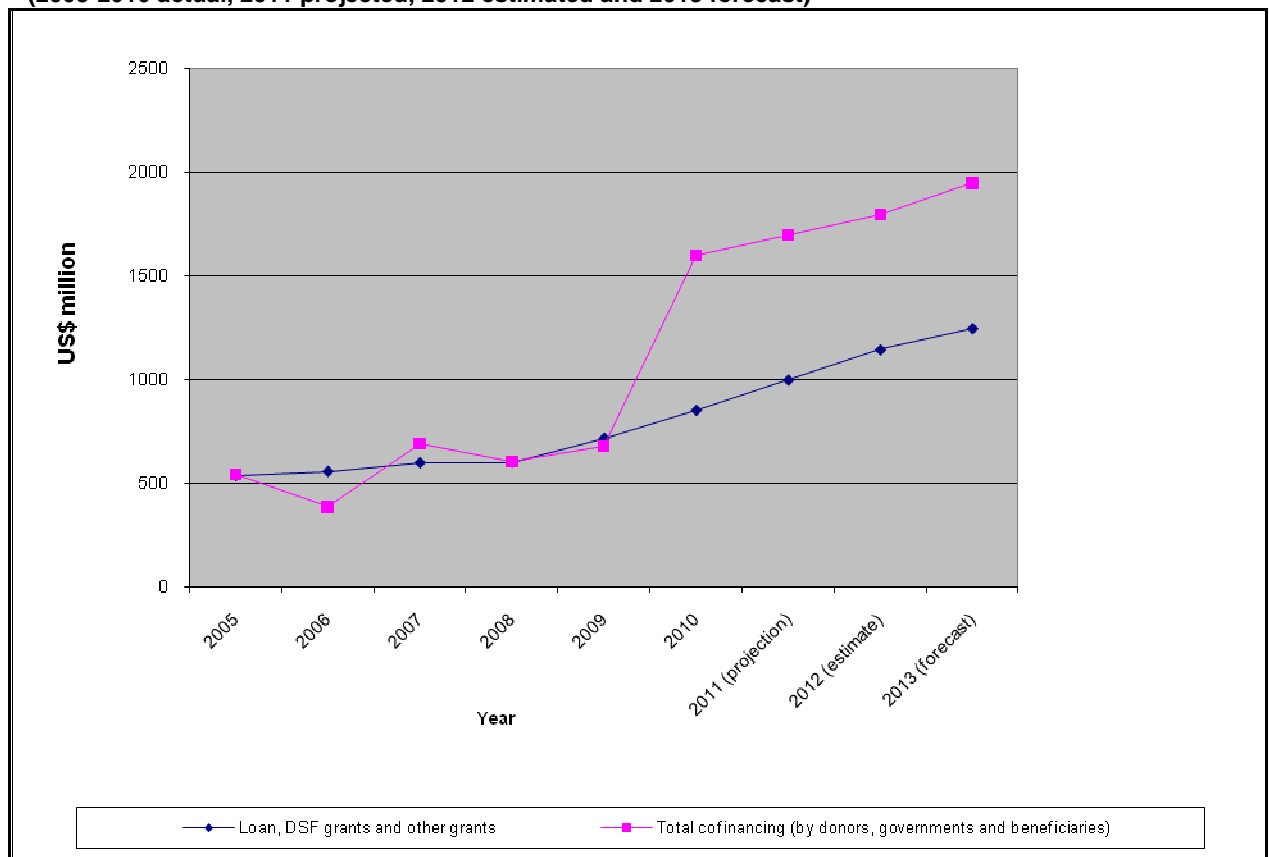
V. Project outcomes 2011-2013

24. IFAD projects and programmes support agricultural development; rural financial services; rural infrastructure; livestock and fisheries development; capacity- and institution-building; storage, food-processing and marketing; agricultural research, extension and training; natural resource management; and small- and medium-scale enterprise development. IFAD will increasingly deploy innovative solutions for sustainable rural development and scale up successful pilot operations. These solutions will respond to new challenges in the context of countries' rural development programmes, and will seek expanded partnerships with other sources of finance, including governments, the private sector and non-government donors. Moreover, IFAD will manage this expansion with increasing efficiency, that is, the loan and grant programmes will expand faster than IFAD's total administrative costs.

25. IFAD is funded through three-year replenishments of its core resources. Under the IFAD8 period of 2010-2012, it will deliver a programme of loans and grants 52 per cent larger than in the previous triennium, totalling US$3 billion financed from its own resources, and US$4.5 billion in cofinancing. In 2010, US$855 million[3] in loans and grants were approved compared with the US$819 million planned for that year (MTP 2010-2012), hence surpassing the target. This supports an ongoing portfolio of over 250 projects and approximately 300 grants[4] and has catalyzed US$1.6 billion in cofinancing.

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[3] Including Swedish complementary grants for US$9.2 million.
[4] These include IFAD's Debt Sustainability Framework (DSF) grants, which finance country investment projects under the Heavily Indebted Poor Countries Debt Initiative, and IFAD's regular grant programme which finances projects not eligible for DSF funding. Regular grants are primarily for global and regional programmes, covering more than one country, but they also include small grants.

26. For 2011, IFAD is preparing loans and grants totalling about US$1.3 billion (including a regular grant programme of about US$65 million), of which about US$1.0 billion is expected to be delivered to the Executive Board for approval, and the remainder prepared for approval in 2012. For 2012, the programme under preparation currently amounts to nearly US$792 million – and is expected to reach nearly US$1.2 billion, including US$78 million in regular grants. Finally, subject to a successful IFAD9 outcome, the total programme of loans and grants for 2013 is estimated at US$1.3 billion, and the approved programme is estimated at around US$1.4 billion, with US$91 million of this in regular grants. The anticipated distribution of IFAD's programme of loans and Debt Sustainability Framework (DSF) grants in 2011 across IFAD's strategic objectives is shown in figure 2.

27. IFAD annually prepares more loan- and grant-funded projects than are approved. These include IFAD's DSF grants (which finance country investment projects under the Heavily Indebted Poor Countries Debt Initiative), and IFAD's regular grant programme (financing projects not eligible for DSF funding). Regular grants are provided primarily for global and regional programmes covering more than one country, but they also include small grants.

28. The rolling nature of the MTP ensures flexibility over the years, enabling IFAD to adjust to slippage in the programme of work due to changes in country circumstances. Conversely, some projects are advanced by such changes, for instance when government priorities shift in favour of rural development. The MTP's rolling three-year framework allows for flexibility in the annual plans and helps IFAD stay on course in supporting poor rural people at full capacity in any one year, while its planning framework helps gauge the impact likely to result from a corresponding acceleration in disbursements and the generation of development outputs.

Figure 2
Planned distribution of 2011 lending and DSF grants across IFAD strategic objectives (as of March 2011)
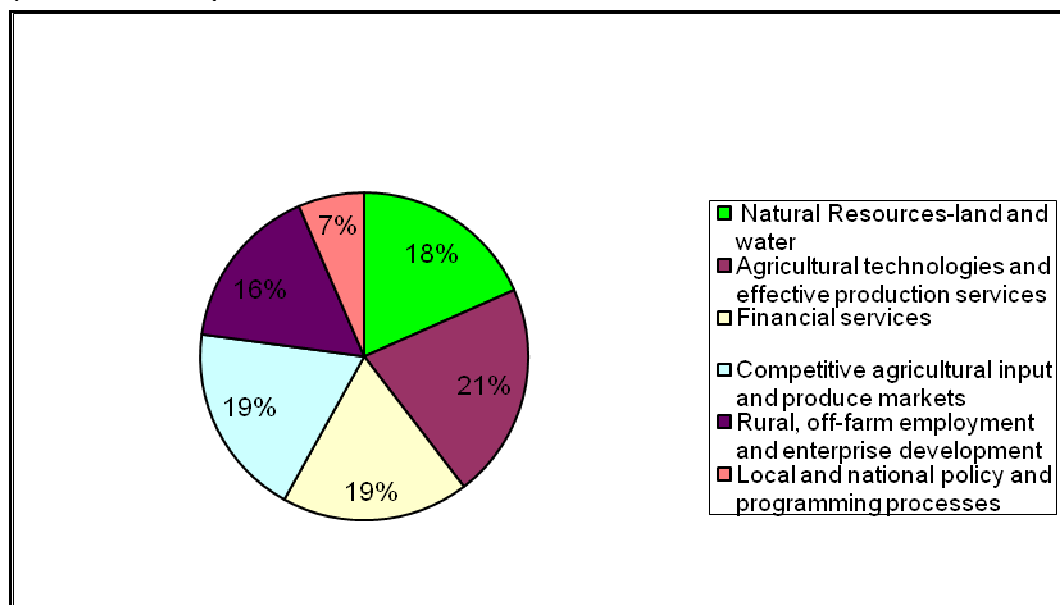
29. Current 2011-2013 work programme projections for loans/DSF and country grants anticipate interventions in 94 countries of the different regions. Of these 94 countries, 60 per cent belong to low-income food-deficit countries as listed by the Food and Agriculture Organization of the United Nations in 2011 and 40 per cent are least developed countries. IFAD will continue paying particular attention to the needs of sub-Saharan African countries. IFAD expects to meet its IFAD8 commitment to provide between 40 and 50 per cent of financing to sub-Saharan Africa and the current projections for the 2011-2013 period so far confirm that

delivery is on track. In addition to the traditional borrowers, the Asia and the Pacific Division is currently planning interventions in some countries in the Pacific subregion (e.g. Kiribati, Samoa and Tonga). The Near East, North Africa and Europe Division is planning a new intervention in Uzbekistan, a country which became an IFAD Member in February 2011. Interventions are also planned in some of the fragile states in the region. The Latin America and the Caribbean Division is contemplating interventions in low-income food-deficit countries such as Haiti, Honduras and Nicaragua. It also expects to enhance the impact of operations by mobilizing cofinancing from the Spanish Food Security Cofinancing Facility Trust Fund for intermediate/ordinary borrowers.

Figure 3
Geographical distribution of 2011 loans and DSF/country grants by region (work programme projections as of 23 Feb 2011) in US$ millions
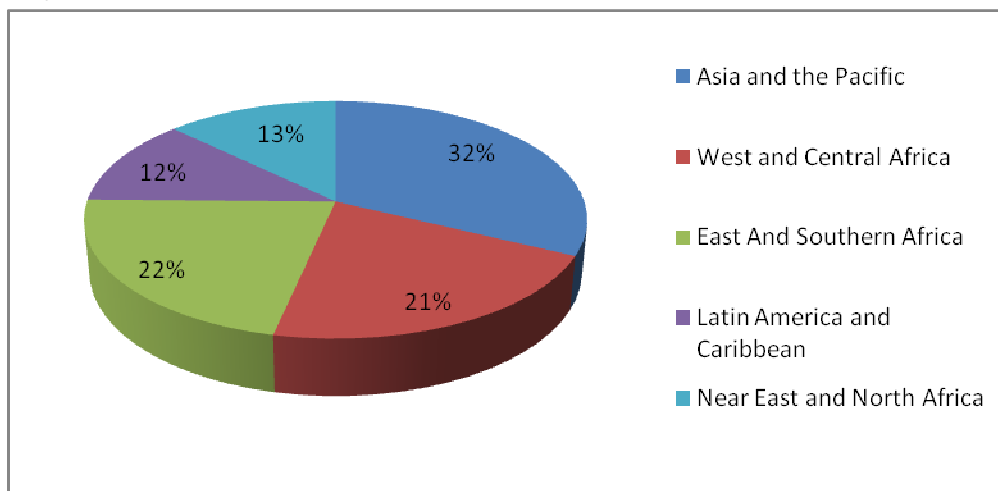
Note: Near East and North Africa is now Near East, North Africa and Europe Division.

VI.   Grant programme outcomes 2011-2013

30.   The MTP logical framework describes the targets for IFAD's grant programme, which will amount to US$65 million in 2011, US$75 million in 2012 and US$91 million in 2013. IFAD places great strategic value on the use of its grants, maximizing synergies with its loans by using the lending programme more systematically to scale up grant-financed innovations and deploying grants more proactively as a tool for innovation and learning (see figure 3).

31.   IFAD's revised Policy for Grant Financing was approved by the Executive Board in December 2009. The revised policy emphasizes the importance of improved planning and management of the grant portfolio so as to maximize its efficiency and effectiveness, given its limited scale relative to the total annual programme of work; the policy also commits IFAD to developing new procedures for grant-financed projects. The revised procedures for grant financing approved by IFAD Management in early in 2011 aim to provide a framework for implementing the revised policy, and, specifically, for ensuring that the grants portfolio: (i) is more selective, with fewer but larger and more strategic grants; (ii) reflects the objectives of the revised policy and is consistent with its provisions; (iii) supports corporate priorities, as expressed through corporate management results (CMRs); (iv) is better supervised; (v) is more results-oriented; and (vi) provides a stronger platform for learning and knowledge management.

32.   As specified in the revised policy, the grant programme will focus on achieving the following outputs: (i) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (ii) awareness, advocacy and policy dialogue on issues of importance to poor rural people

promoted by, and on behalf of, this target group; (iii) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (iv) lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions. All grant initiatives are explicitly aligned to achieving one or more of these outputs.

33.   While the Policy and Technical Advisory Division is a major sponsor of global grants, regional grants are proposed by all IFAD regional divisions. The competitive process for selecting grants for financing focuses on divisional grant strategies and the quality of individual proposals.

34.   Through its grant programme, IFAD continues to work with the newly transformed Consultative Group on International Agricultural Research (CGIAR) system, an association of public- and private-sector members that supports a network of 15 international agricultural research centres and their research and development partners in the global agricultural research system, including the national agricultural research systems (NARS), and civil society and farmers' organizations. The CGIAR system is thus a strategic constituency of research-for-development partners for IFAD, as it deals with crops and commodities that provide 75 per cent of the food and protein requirements in the developing world. The CGIAR centres receive a large share of IFAD grants. Through information sharing and assessment of innovative policies and programmes, IFAD grants to the various CGIAR centres and their partners support efforts to improve access to productive assets and new markets for high-value commodities, in particular by experimenting with new ways of connecting farmers to markets.

35.   Aside from CGIAR centres, IFAD provides grant support to farmers' and indigenous peoples' organizations, international and local NGOs, specialized United Nations agencies, developing country research institutes and educational institutions. Regional organizations and the private sector will also receive grants. A large number of these organizations are located in sub-Saharan Africa (accounting for 42 per cent of total global and regional grant programmes). The Fund's grants to these partners support adaptive research and capacity-building on a wide range of issues. These include rural finance, climate change adaptation, integrated pest management, gender mainstreaming, value chains, agroforestry and crops that are important to poor rural people's food security and income-earning opportunities.

Figure 4
Geographical distribution of global/regional grants in 2011 by region
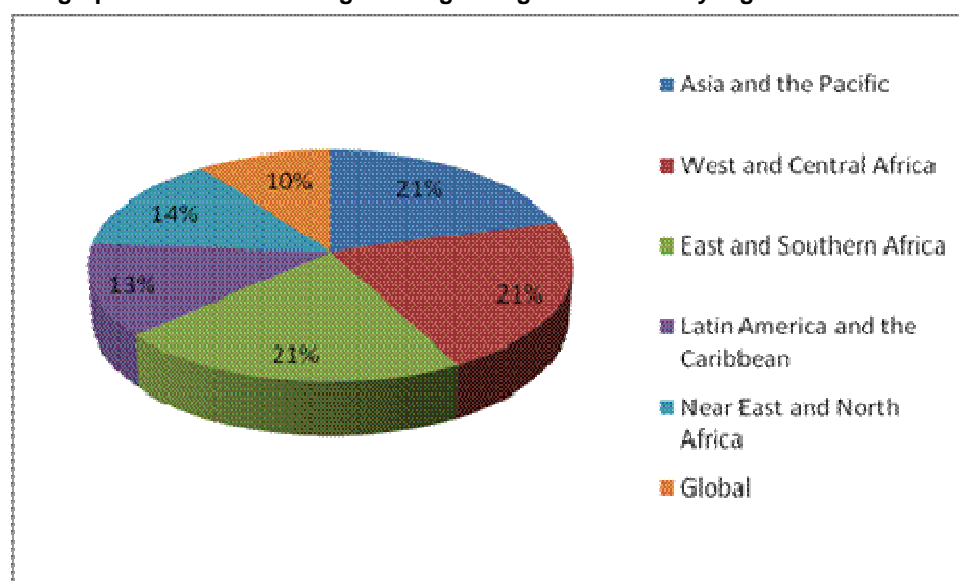
Note: Near East and North Africa is now Near East, North Africa and Europe Division.

VII. Project implementation outcomes 2011-2013

36. As indicated in the MTP logical framework, by 2012 all IFAD-financed projects will be directly supervised by IFAD, except those jointly supervised with a qualified cofinancier. IFAD is focusing on improving its capacity to provide high-quality supervision, implementation and loan administration support to achieve more rapid project impact. This involves reducing the gap between project approval and first disbursement, as well as overall disbursement lags. A special supervisory effort will also be required where project start-up delays are particularly long, and where project implementation problems are severe. Supervision efforts will thus be increasingly customized to the country and project situation. This will be accomplished largely by increasing the frequency and quality of supervision through expansion of the supervisory capacity of the IFAD Country Offices (ICOs).

37. Since 2008 – when IFAD began to take over project supervision from the cooperating institutions – it has been devolving the supervision function to the regional divisions, all of which now have capacity for project management and supervision. In 2010, IFAD began implementing a new fiduciary management model of projects that entailed segregation of responsibilities and enhanced capacity to address the evolving loan administration and financial management needs of the portfolio. Under a matrix reporting arrangement with the regional divisions of the Programme Management Department (PMD) accountable for programme delivery, the Controller's and Financial Services Division (CFS) is responsible for the integrity of the financial outflows, including those directed to loan and grant activities, thereby introducing the required checks and balances over the main financial outflows of the institution. These new arrangements have been accompanied by a change in the disbursement process to a risk-based approach, which will permit differentiated levels of controls for transactions according to assessed risks of the relevant factors, such as financial management capability of the project, type of disbursement, amount of disbursement, results of recent audits and incidence of errors. The new model and the risk assessment activities contribute to IFAD's evolving activity of assessing country systems (procurement, financial management and audit) as a basis for developing more efficient and effective project implementation arrangements.

38. These efforts will contribute to better outcomes in country programme operations over the MTP 2011-2013 period. IFAD will be able to apply a proactive problem-solving approach in direct supervision and move towards more continuous supervision by its ICOs. Its supervision experience will also allow IFAD to capture and disseminate knowledge generated through direct supervision in order to refine new country strategies and project design; provide information for the Fund's contribution to national policy dialogue; and help IFAD build a stock of good operational practices that will contribute to effective and efficient project implementation. In 2011, IFAD will develop its capacity for assessing country systems, which will be carried out jointly by the regional divisions and CFS.

VIII. Project design and implementation support outcomes 2011-2013

39. In the MTP period, the Fund will average 40 projects per year, representing an increase in demand for its services: IFAD approved a yearly average of 33 projects in 2009-2010 and various supplementary loans/grants. It will embrace this expanded role by reviewing its business processes to make them faster, more flexible and more tightly integrated with national programming, policies and procedures. Thus, delivery on IFAD's objectives is predicated on a number of changes and reforms to its institutional and policy framework so as to enhance its strategic guidance and policy instruments.

40.   As described in the MTP logical framework, in 2011, IFAD will strengthen the design and management of its COSOPs, with particular regard to alignment with country and local needs, government priorities and harmonization with development partners. IFAD has already revised the guidelines for COSOPs, modifying the "at-entry" quality assurance (QA) mechanism for COSOPs to assure greater focus on relevance. In addition, its annual country programme implementation reviews will involve increased government and key in-country partner engagement.

41.   The MTP plan has also set targets for project design innovations, including updating project design and quality enhancement guidelines to expedite these processes. This will involve: developing differentiated design and appraisal reporting formats, and more pertinent project files and implementation reports; implementing continuous design processes driven from ICOs; scaling up IFAD's successful pilots through cofinancing; and creating trust funds to finance detailed project design work to accelerate project start-up activities. The revised business processes will aim to make these activities faster, more flexible and more integrated into national programming, with greater emphasis on absorptive capacity and faster disbursement.

42.   On the institutional front, in the MTP period IFAD will improve country programme and project sustainability through the following actions:

(i)   **Country ownership**: IFAD will invest in national capacities for design and implementation and will approve revised procurement guidelines that amplify the use of national systems and joint missions with partnering agencies and government counterparts.

(ii)   **South-South partnerships**: IFAD will foster sharing of successful experiences and technologies among countries and regions, with a coordinating focal role vested in the Office of Strategy and Knowledge Management (SKM).[5] IFAD is preparing a thematic paper on Mainstreaming South-South Cooperation for a session of the Consultation on the Ninth Replenishment of IFAD's Resources to be held in October 2011.

(iii)   **Private-sector engagement**: IFAD will connect smallholders with markets for agricultural inputs and with processing, marketing, and financial services through more effective partnerships. The IFAD Policy for Grant Financing (2009) has been revised to permit IFAD to extend grants to private-sector entities. A corporate-level evaluation on IFAD's Private-Sector Development and Partnership Strategy will be presented to IFAD's Executive Board in May 2011.

(iv)   **Country presence**: IFAD is increasing its responsiveness to country-level demand, policy and programming processes and its engagement with country-level actors. This is being done through its country offices, 30 of which were established by end-2010, and an additional 10 are planned to be approved by 2013 (see map). These will be hosted by other international organizations, primarily the United Nations Development Programme, the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme, and will be staffed largely by locally recruited experts and in some cases by outposted country programme managers (12 in 2011). ICOs will play a critical role in achieving increased efficiency in development operations, creating synergies among supervision activities, ensuring coherency of programmes and projects with national priorities, and improving the effectiveness of implementation. A country presence strategy will be presented to IFAD's Executive Board in May 2011.

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[5] The President's Memorandum of 18 October 2010 renamed the Office of the Chief Development Strategist as the Office of Strategy and Knowledge Management (SKM), to take effect 1 January 2011.

IFAD country offices

Country offices led by nationally recruited staff

Country offices led by outposted country programme managers(CPMs) in 2009

Country offices covering more than one country: -The Congo/Democratic Republic of the Congo
-Senegal/the Gambia
-China/Mongolia
-Peru/Bolivia (Plurinational State of)

29-11-2010
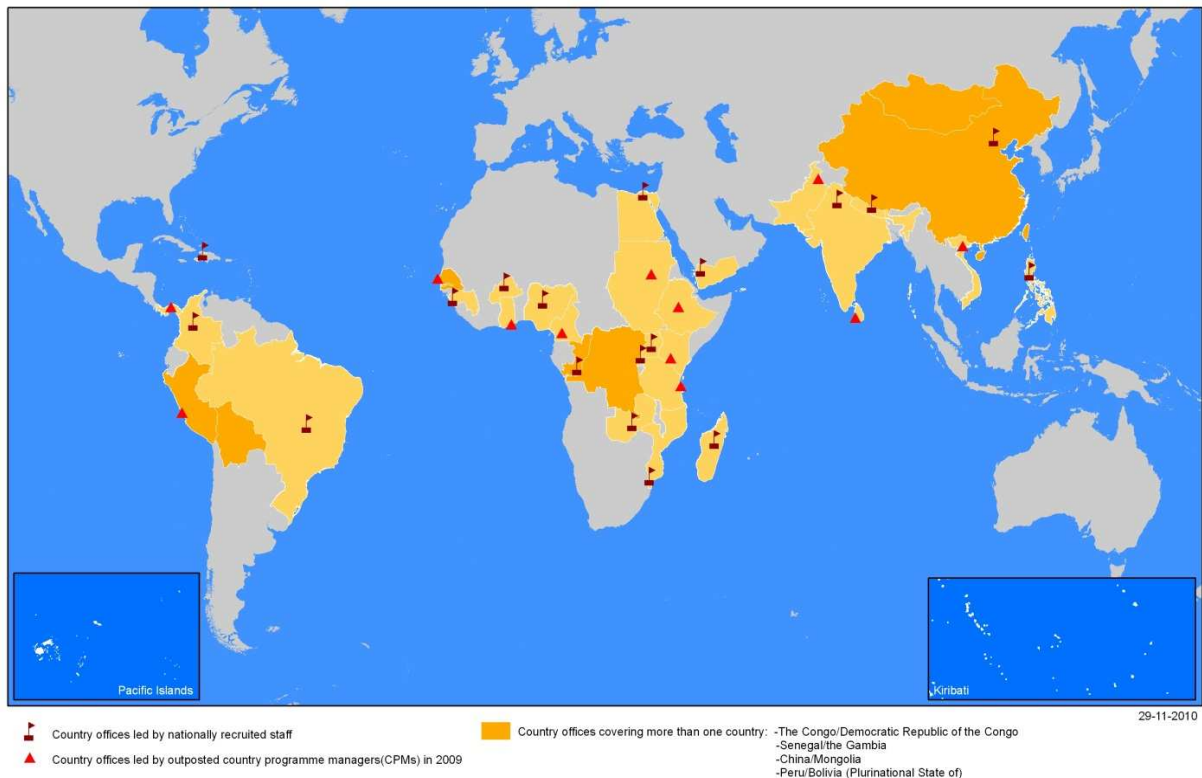
(v) **Environmental and natural resource management and climate change mainstreaming**: Through the implementation of the IFAD Climate Change Strategy (2010) and the new IFAD Environmental and Natural Resource Management Policy slated for presentation to the Board in May 2011, IFAD will make its programmes and projects "climate smart" and will systematically mainstream climate change concerns.

(vi) **Scaling up**: IFAD will augment its scaling-up opportunities by examining institutional, organizational and policy contexts in order to: create incentives and conditions for effective scaling up; cultivate partnerships able to scale up high-quality pilot initiatives; and evaluate the scaling up of experimental projects to catalyze greater impact for poor rural people – taking account of the recommendations of the recent review of innovation and scaling up by IOE (2010).

(vii) **Gender mainstreaming**: IFAD's draft Strategic Framework will bring rural women to the forefront of its operations as critical development champions. Taking note of the analysis prepared by IOE on gender, IFAD will devise a comprehensive and evidence-based gender policy for the approval of the Executive Board in December 2011.

(viii) **Indigenous peoples**: Under the IFAD Policy on Engagement with Indigenous Peoples (2009), the Fund will continue to invest about 20 per cent of its loan and grant programmes in development for indigenous peoples; provide guidance on best practice; document its experiences in order to pursue informed advocacy and policy dialogue in partnership with major international organizations; and co-manage the growing Indigenous Peoples Assistance Facility.

(ix) **Partnerships**: IFAD will build deeper partnerships to underpin sustainable rural development – including with smallholders' organizations, their

international umbrella organizations and the Farmers' Forum. At the international level, IFAD has been recognized among IFIs as specialized in developing highly calibrated agricultural assistance in remote areas, with strong community-level participation and consultation networks, and skills and competencies that create synergies for IFAD with its partners. IFAD will submit a review of its existing partnerships to the Executive Board in September 2011.

IX. Achieving and measuring programme and project results

43. During the design and preparation of COSOPs and projects, based on IFAD's QA system, key indicators are monitored to provide an early assessment of the quality of the COSOP or project for approval by the Executive Board. In this system, each new COSOP and project is independently reviewed and scored by independent experts.

44. In their implementation, IFAD's operations are monitored against targeted achievements under IFAD's Results Measurement Framework (RMF), which links IFAD's performance to its strategic objectives. In addition, country programmes and projects are measured at completion through project completion reports, enabling effective review of the results achieved and of lessons for the future design of programmes and projects (table 2).

45. MTP results are presented against the RMF targets, which measure IFAD's overall objectives and performance, as well as those of the Corporate Planning and Performance Management System (CPPMS), which in turn provides a platform for everyday performance and resource management monitoring. The results are included in the Report on IFAD's Development Effectiveness (RIDE) and evaluated in the Annual Report on Results and Impact of IFAD Operations (ARRI), prepared by IOE.

46. Programmes and projects are monitored and evaluated, inter alia, for their relevance (consistency of project objectives with the priorities of poor rural people), effectiveness (the extent to which project objectives have been achieved at the time of evaluation), efficiency (economic conversion of programme resources into results), sustainability, innovation and scaling up, rural poverty impact and gender equality and women's empowerment. The performance of IFAD as lending agency and the Government as a borrower is also assessed. Success achieved in these areas has been decisive in improving IFAD's impact on smallholder livelihoods and ensuring IFAD's relevance in the global development architecture.

47. To provide a historical perspective, the Independent External Evaluation of IFAD (2005) revealed that 67 per cent of IFAD-supported projects were moderately satisfactory or better in terms of effectiveness, 45 per cent for efficiency, 55 per cent for rural poverty impact, 40 per cent for sustainability, and 55 per cent for innovation and scaling up. The 2010 ARRI showed improvements in performance. Evaluations conducted independently by IOE between 2007 and 2009 now demonstrate that 77 per cent of projects are moderately satisfactory or better for effectiveness. Eighty-six per cent of projects are moderately satisfactory or better in terms of their rural poverty impact, 65 per cent for sustainability and 95 per cent for innovation and scaling up. While there have been improvements since 2005 in terms of efficiency (57 per cent of projects evaluated in 2007-2009 were moderately satisfactory or better), further gains could still be made on this evaluation criterion.

48. Evaluations are increasingly revealing that the performance of the lending agency and borrowers are two critical ingredients in ensuring success in reducing rural poverty. In this regard, the ARRI notes that while there has been a steady improvement since 2005 in the performance of IFAD, government performance has

shown less progress. Moving forward, IFAD will pay greater attention to supporting governments in improving their performance, for example, by contributing to: capacity-building for service delivery at the local level, formulating and implementing pro-poor agricultural development policies, and strengthening its own institutional capacity to conduct effective policy dialogue.

49. IFAD welcomes the 2012 targets approved by the Board for the IFAD8 period. These are highly ambitious, but set a course for IFAD to pursue real advancement in the livelihoods of poor rural people. The ARRI data reveal that the 2012 targets for relevance and innovation/scaling up have been already surpassed, and that the target for rural poverty impact is well within reach. Further efforts will be required to achieve the targets for effectiveness, sustainability, and especially efficiency. Targets for 2015 will be set as part of the Consultation on the Ninth Replenishment of IFAD's Resources; and are, therefore, not yet determined for 2013.

50. Finally, in terms of benchmarking, based on publicly available data, the performance of IFAD-supported operations is either on par with or better than the performance of the agriculture sector operations of the African Development Bank, the Asian Development Bank, and World Bank (see 2010 ARRI, p. 45).

Table 2
Performance targets and indicators for project performance at entry

Results Measurement Framework indicators	2009 actual %	2010 actual %	2012 target %
RMF indicators: better country programme management			
Percentage of country programmes rated 4 or better at entry (based on QA or project data) for:			
Adherence to aid effectiveness agenda (client survey)	96	100	100
Percentage of ongoing projects actually receiving international cofinancing (2009 baseline)	**55**	**55**	**65**
RMF indicators: better project design (loans and grants)			
Percentage of projects rated 4 or better at entry for:			
Effectiveness (QA)	93	94	90
Rural poverty impact on the target group (e.g. through physical and financial assets, food security, empowerment) (QA)	91	87	90
Sustainability of benefits (QA)	81	90	90
Innovation, learning and/or scaling up (QA)	86	77	90
RMF indicators: better supervision and implementation support			
Average time (months) from project approval to first disbursement	21.4	16.7	14
Percentage of problem projects in which major corrective actions are taken (proactivity index)	24	50	75
Percentage of projects for which IFAD performance rated 4 or better (ARRI) (2010)	64	71	75
Percentage of problem projects in ongoing portfolio (PPR 2010)	19	18	15
Percentage of time overruns for ongoing projects (PPMS)		22	20
Average days for processing withdrawal applications (directly supervised projects) (PPMS) (July 2009 – 30 June 2010)	35	28	31.5
Consultation report indicator			
Cofinancing ratio – IFAD financing to total cofinancing, both international and domestic	**1.0**	**1.99**	1.5[a]

PPMS: Project Portfolio Management System, maintained by Management.
ARRI: Annual Report on Results and Impact of IFAD Operations, IFAD Office of Evaluation data.
QA: quality assurance system data.
[a] Target reflects total cofinancing in the IFAD8 period, 2010-2012.

X. Knowledge management and policy dialogue outcomes 2011-2013

A. Knowledge management

51. Thirty-three years of project design and implementation experience have endowed IFAD with a wealth of development experience, expertise, knowledge and lessons on what works in agricultural and rural development, an invaluable resource for IFAD to draw on in developing value-adding assistance to smallholders. Sharing this knowledge is an effective instrument for scaling up successes, but it also places an onus on IFAD to build global awareness of development outcomes and possibilities. IFAD is in the process of instituting new advocacy and communication strategies to guide and coordinate the units engaged in advocacy and policy dialogue, and to build its capacity to attain operational objectives and identify instrumental opportunities to influence policy at national and global levels. A vital element of IFAD's knowledge development is its grants programme, which is explicitly mandated to provide a key vehicle for learning. Grant-financed projects will be expected to include a learning and knowledge management plan and to harness knowledge products accessible to all.

52. In December 2010, SKM launched IFAD's flagship *Rural Poverty Report 2011*, which provides a coherent and comprehensive look at rural poverty, its global consequences and the prospects for eradicating it. It addresses the issues that are shaping rural poverty: increasingly volatile food prices, the uncertainties and effects of climate change; and a range of natural resource constraints that will complicate future poverty reduction efforts. The report emphasizes that profound changes in agricultural markets are giving rise to new and promising opportunities for the developing world's smallholders to significantly boost their productivity to ensure food security for the increasingly urbanized global population, estimated to reach 9 billion by 2050.

53. During the MTP period, IFAD will (i) maximize use of field-level information, capture knowledge regarding current developments and capitalize on greater sharing of field, project and policy experience through workshops, training, visits to the field, participation in other donor programmes, publications and submission of experiences to IFAD's website; (ii) strengthen practice and thematic groups, modelled on existing groups such as gender, rural finance, livestock and natural resource management; (iii) involve outside reviewers of IFAD projects to tap external knowledge, under its quality enhancement process; (iv) continue to disseminate IFAD publications and materials to partners; (v) scale up successful innovations developed under investment and grant-financed projects; (vi) encourage South-South knowledge-sharing; and (vii) partner with other institutions in knowledge management activities.

B. Policy dialogue

54. With most of the net food-deficit countries contributing less than 10 per cent of their fiscal allocations to the agriculture sector, IFAD's policy dialogue work at the country level is vital to developing a conducive environment and the conditions needed to generate the intended food security and rural development impacts. In providing policy dialogue services, IFAD focuses on its comparative advantages to bridge critical gaps in policy dialogue, specifically on issues of effective engagement with smallholder agriculture, critical to an inclusive and sustainable response to the food security challenge.

55. To develop IFAD's leadership in knowledge and policy dialogue, SKM drives and monitors IFAD's participation with regard to emerging issues in smallholder-based agriculture and rural poverty reduction, and guides IFAD's strategic contribution to policy dialogue, knowledge management and programming, including promoting inclusion of agriculture and rural development in emerging climate finance

modalities. SKM is thus strengthening IFAD's analytical and leadership capacity in the global dialogue on rural and smallholder development.

56. In the MTP period, SKM is undertaking research and analysis on key issues of agricultural and rural development to enhance IFAD's analytical capacity to engage more fully in the global policy debate. IFAD is working closely with the R3 agencies in supporting G-20 deliberations on actions to address the implications of food price volatility on the rural poor. IFAD is also chairing the food security and nutrition development agenda councils of the World Economic Forum, and participates in a variety of high-profile publications dealing with development constraints in the rural sector, most recently in the World Bank's publication *Post-Crisis Growth in Developing Countries*. In addition, in collaboration with the North American Liaison Office, SKM is assessing IFAD's capacity for international policy engagement. Based on the findings, it will propose institutional processes and mechanisms to enhance IFAD's effectiveness in this area.

57. SKM will lead and, where appropriate, contribute towards the formulation of IFAD's key strategic plans such as the draft Strategic Framework, the MTP, and other macro-level policies to ensure that IFAD's programmes and projects are informed by the latest thinking in its focal areas. Through enhanced partnerships and engagement in global policy debates, SKM aims to ensure that IFAD keeps abreast of current thinking on rural poverty reduction and, in turn, contribute to key processes such as COSOPs, QA and programme and project development.

58. In 2011, SKM will develop its leadership role in knowledge brokering to ensure that IFAD is kept informed of important developments in the global dialogue on agricultural and rural development and that IFAD, in turn, is in a position to share with the outside world its own lessons and experience based on sound analysis. This will involve: establishment of a small statistical unit composed of a two-person team to enable IFAD to manage data systematically and help IFAD staff access reliable data from internal and external sources; and the gradual establishment of a research division to support IFAD's analytical work (see appendix, page 6).

59. The corporate policy advocacy role is central to IFAD's work. SKM will work to ensure that IFAD's advocacy activities – by Senior Management, the Communications Division, and other staff at global, regional and national levels – have a sound analytical basis and are informed by current, state-of-the-art thinking. As identified in the MTP logical framework (see appendix, page 6), SKM will take responsibility for producing IFAD's flagship publications, support the work of regional economists, and champion IFAD's knowledge management and innovation activities.

XI. Communication outcomes 2011-2013

60. IFAD recognizes that external and internal communication can advance its ability to carry out its mission more successfully and attain its operational objectives more effectively. "Smart" communication can increase IFAD's effectiveness, affirm the Fund's profile as a champion of rural poverty eradication, and build IFAD's impact as an advocate for increased investment in agricultural development and its reputation as a results-driven organization with an unwavering focus on smallholder farmers and other poor rural producers. Transparent communication of IFAD's potential to deliver programmes and projects and the results generated through the programme of work instils confidence in its stakeholders, including its targeted beneficiaries, and increases the institution's chances of successful replenishment and resource mobilization. IFAD's approach to communication is proactive, seeking to ensure that the Fund's communication efforts – both internal and external – are clear, targeted, disciplined, coordinated and scaled to an institution of IFAD's size and reach.

61. With regard to internal communication, as IFAD's country presence expands, ensuring a strong connection between headquarters and the field is vital. This will

deepen the sense of ownership of IFAD's agenda, facilitate sharing of lessons learned and knowledge throughout the organization, and ensure that IFAD staff across the globe have the tools they need to communicate IFAD's messages effectively and confidently. In terms of external communication, only a dynamic, sustained, systematic and innovative approach will enable IFAD to broaden its communication impact. In the MTP logical framework (see appendix, page 7), IFAD enumerates the external communication efforts that will strengthen IFAD's "brand" by focusing on:

(i) The impact of IFAD's work in the countries in which it operates;

(ii) Communication activities to contribute to IFAD's involvement in global and regional initiatives and to ensure that the Fund's messages reverberate as loudly as possible;

(iii) The roll-out of quality publications such as the *Rural Poverty Report* and the Occasional Paper series, which contribute substantively to the debate on topics related to food security, agricultural development and rural poverty.

62. During the MTP period, IFAD will tackle communication objectives through: (i) offering communication training throughout IFAD, with a particular focus on PMD and the ICOs; (ii) developing a communication toolkit to support the corporate communication strategy and guide the handling of risks and crises; and (iii) intensifying regional communication though partnerships across its divisions and departments.

XII. Resource mobilization outcomes 2011-2013

63. The financing requirements of inclusive and sustainable food security are daunting. IFAD's resource mobilization efforts are multi-pronged and capitalize on its capacity to catalyze resources for smallholder development, in addition to the periodic replenishments that determine the core funding of its loan and grant projects every three years. In 2011, IFAD instituted a coherent cluster of resource mobilization units under the umbrella of the Resource Mobilization and Partnership Office (RMP), enabling greater focus on the resource mobilization function. RMP comprises the Partnership Unit – which focuses on liaison with Organisation of Economic Co-operation and Development (OECD) partners, foundations and private-sector partnerships; the North American Liaison Office (NAL) – located in Washington, D.C. with a satellite office at the United Nations in New York – focuses on North American partnerships; the Arab Gulf States Liaison Office (AGL) – to be relocated during the MTP period to the Gulf region handles partnerships with the region's governments, institutions, foundations and private sector partners; the Replenishment Secretariat and the Replenishment Coordination Committee were established to coordinate and support the replenishment activities over the longer time horizon to ensure substantive dialogue with donor representatives on IFAD's role and capacity development in addressing rural poverty.

64. IFAD also receives supplementary funds from governments, multilateral entities and the private sector (including foundations). It functions as an assembler of resources – catalyzing additional resources for food security objectives and agricultural production by working with many bilateral, regional, private-sector and foundation sources to identify cofinancing and supplementary resources.

65. In January 2009, IFAD successfully concluded its Eighth Replenishment negotiations. As of 31 December 2010, IFAD8 had received 90 per cent or US$1.076 billion in terms of pledges of the replenishment target for donor contributions (US$1.2 billion), and 83 per cent of the Replenishment target or US$868.7 million in terms of instruments of contribution had been deposited – 89 per cent above those received under IFAD7 in the same period. As of

31 December 2010, 57 per cent of the pledges had been paid in cash and promissory notes by donors.

66. In the IFAD8 negotiations, IFAD adopted an ambitious target for expanding the cofinancing of projects – and is thus exploring new mechanisms for mobilizing additional resources for smallholder development. It will support existing and emergent global financing mechanisms, for instance by supervising programmes and projects funded by the Global Agriculture and Food Security Programme in Togo and Sierra Leone. Rising to the challenge of its cofinancing target, IFAD signed a cofinancing framework agreement with the Islamic Development Bank (IsDB) for US$1.5 billion in February 2010. During the MTP period, IFAD's resource mobilization function will develop even more cofinancing mechanisms to access greater resources for smallholder agriculture, including examining possibilities for concessional borrowing from its Member States.

67. Deeper partnerships with other IFIs offer far-reaching opportunities for scaling up successful pilots through which smallholder livelihoods have been sustainably improved. For example, the IFAD/IsDB cofinancing framework agreement offers opportunities for joining forces over a three-year period (2010-2012) – in a total of 25 common member countries – to systematically identify country-level cofinancing opportunities. In 2011, IFAD's potential lending to these countries is forecast to reach US$700 million, which will be augmented by an additional US$800 million from the IsDB under the agreement. The two institutions hope that this cofinancing arrangement will attract further funding from other development partners in joint interventions to improve rural infrastructure, promote local economic development and enhance food security.

68. In 2010, the Government of Spain sought a partnership with IFAD to deliver resources committed within the framework of the L'Aquila Food Security Initiative for financing projects and programmes focused on food security and agriculture in developing countries. To receive the Spanish contribution of EUR 300 million, IFAD's Executive Board in September 2010 approved the establishment of the Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund). The Spanish Trust Fund consists of a loan from the Government of Spain of EUR 285.5 million paid in a lump sum and a grant of EUR 14.5 million to be committed during the Eight Replenishment period (ending in 2012). While the Spanish Trust Fund will not change country allocations already set under the PBAS, it will add funding for scaling up IFAD-funded projects for increased impact.

69. Important outreach programmes have been initiated by the AGL, established in 2010, the NAL and the Partnership Unit to strengthen relations and support from Member States of the AGL, NAL and Europe regions, respectively. In the Arab Gulf region, AGL will initiate activities aimed at constructing more solid partnership in the region, and will increase cooperation and cofinancing with the region's bilateral and multilateral institutions. In addition, in the MTP period, AGL will relocate to the Gulf region to maximize its outreach efficiency and effectiveness.

70. In 2011, IFAD looks forward to the IFAD9 negotiations, which will be critical to IFAD's contributions to the collective goal of MDG1. The negotiations began with a mid-term review of IFAD8 commitments in February 2011 and will be completed in the MTP period by December 2011. They will involve discussions with current and possible new donors on the demand for IFAD's development services and funding for 2013-2015 – the IFAD9 period.

XIII. Financial management outcomes

71. As a financial institution, IFAD mobilizes, receives and channels financial resources through its loans and grants to programmes and projects to achieve its strategic and operational outcomes. It invests excess liquidity to generate income, which has become a significant additional source of resources for its operational objectives. As

an IFI, IFAD's objective is to mobilize resources for agricultural development in developing Member States. In fulfilling this objective, the Fund provides financing primarily for projects and programmes designed to introduce, expand or improve food production systems and to strengthen related policies and institutions within the framework of national priorities and strategies. IFAD currently relies significantly on triennial replenishments of its financial resources by Member States. However, with increasing pressure on Member States to provide financial resources for a number of competing demands, IFAD is considering accessing alternative sources of funding. One such effort is the establishment of the Spanish Trust Fund which helps IFAD augment its own core resources to scale-up successful pilots (see paragraph 68). IFAD has traditionally offered a limited number of financial instruments to its clients, and is also considering expanding its offerings to better respond to client needs.

72.   The 2010 external review of IFAD's financial operations pointed to a need to: (i) build a financial operation framework equipped to meet the increasing complexity of IFAD's financial structure; and (ii) further streamline IFAD's corporate services. In 2011, these findings triggered the establishment of a Financial Operations Department (FOD) and a Corporate Services Department (CSD), thus consolidating financial operations under a Chief Finance Officer, and administration, information and communications technology (ICT) and HR management under a Head, CSD. IFAD has successfully engaged professional incumbents for both leadership positions as part of a recruitment campaign conducted in late 2010 for key management positions.

73.   IFAD's financial complex comprises: (i) CFS, which is responsible for managing the funds entrusted to IFAD by its Members, performing control functions and processes; recording and accounting for all financial movements; and reporting to IFAD's Member States and donors through public reports and audited financial statements on IFAD's financial operations and performance; (ii) Treasury Division, responsible for investing IFAD's capital under the investment and liquidity policies, investing and managing supplementary fund resources, management and operational execution of IFAD and supplementary funds cash flows ensuring timely availability of cash, financial risk management and investment reporting, and ensuring that adequate funds and cash are available for loan and grant approvals and disbursements; and (iii) Budget Unit, responsible for managing the IFAD budget process, i.e. preparing IFAD's annual budget framework, monitoring and reporting on its implementation and developing budget and costing policies for the Fund.

74.   The MTP logical framework (see appendix, page 9) acknowledges the importance of IFAD's efforts to strengthen its financial management and fiduciary functions. Increased volatility in the external financial environment, the assumption by IFAD of a direct supervisory role over project implementation, expansion of its field presence, and an increased need to mobilize external funding expose IFAD to greater and more financial risks.

75.   In terms of the streamlining of IFAD's corporate services, under the supervision of FOD, the replacement of the ageing Loans and Grants System by 2012 will be a major driver for efficiency gains and for effectiveness in meeting programme objectives. The new system will expand significantly the financial product capabilities of the Fund, bring processing and reporting facilities to IFAD's clients and significantly streamline the underlying transaction processing. The upgrade of the Peoplesoft ERP, scheduled for 2011, is similarly expected to bring significant efficiency benefits and control improvements to the core financial and human resource processes.

76.   In addition, FOD is building supportive frameworks for IFAD's programme operations by diversifying IFAD's lending terms, and preparing the ground for the

introduction of new financial products better suited to the needs of its diverse clientele. The issuance of updated manuals and tools is ongoing, with an eye to the financial and accounting capacities of its borrowing Member States. It is also exploring new financial and accounting structures to attract additional funding for IFAD's programme of work. Certain financial management operations will be decentralized to ICOs, leading to a reduced processing cycle for loan administration, disbursements and other activities. A pilot for decentralized processing was successfully implemented in 2010 for the Nairobi regional office, cutting processing time and paperflow substantially. Internally, the possibility of single currency lending is also being explored.

77. Furthermore – and fundamental to its pursuit of excellence in financial operations – IFAD will undertake, for the first time, a management assertion on the effectiveness of its internal controls over financial reporting in relation to the 2011 Financial Statements, with a corresponding external audit attestation to be completed for the 2012 Financial Statements. This will support IFAD's business objectives through sustained stakeholder confidence in financial administration and reporting controls. The external assessment confirmed that IFAD is on course to achieving this within the set time frame.

XIV. Budget outcomes 2011-2013

78. To deliver on its strategic objectives and operational outputs, IFAD must be fully equipped and have adequate services and resources at its disposal. Matching the administrative budget and human resources to the volume of work is essential if IFAD is to ensure successful development impacts and mitigate the risks that may arise from under resourced activities.

79. The attainment of IFAD's objectives requires a robust system of multi-year rolling administrative budgeting – a goal of IFAD's Budget Unit – and a strategic workforce plan – under the purview of the Human Resources Division – that tailor financial and human resources directly to operational requirements.

80. The paramount issue for strategic budgeting is to ensure that the rapidly expanding programme of work and project portfolio receive adequate expert attention, including through adequate staff and consultancy resources, field visits and capacity development resources. These resource needs are expected to grow to ensure fiduciary and technical supervision of both the design and the supervision of IFAD's work in the field. In preparing the 2011 budget, IFAD – for the first time – applied zero-based budgeting[6] and strategic workforce planning[7] approaches to align budget expenditures directly with operations and activities, thereby capturing critical opportunities and to ensure that its core operations are fully resourced.

81. The rolling three-year MTP is instrumental in linking overall resource planning to IFAD's strategic food security and agricultural development objectives. Using a zero-based approach to appraising budget allocations helps IFAD rigorously identify economies of scale, efficiencies and savings – and prune the administrative budget to squarely align resources with its core objectives. In addition to MTP, IFAD has prepared a 2011 administrative budget proposal and Strategic Workforce Plan (SWP), which together will steer financial and human resources so that IFAD can

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[6] Zero-based budgeting (ZBB) is a method of budgeting in which all expenses must be justified for each new period. ZBB starts from a "zero base" with every function within an organization analyzed for its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether the budget is higher or lower than the previous one. ZBB allows top-level strategic goals to be implemented in the budgeting process by tying them to specific functional areas of the organization, where costs can first be grouped, and then measured against previous results and current expectations.

[7] Analogous to treasury operations concerned with guaranteeing suitable access to working capital, strategic workforce planning is an iterative business process to ensure that the organization has suitable access to talent to achieve business success, considering all potential access sources (e.g. employment, outsourcing, partnerships, and changing business activities to modify the types of talent required) and bearing in mind the skills, knowledge, predisposition and ability required to undertake activities of the organization, including its operations, decision-making and business risks.

accomplish its objectives. These tools (detailed in IFAD's 2011 results-based programme of work and administrative and capital budgets, and the IFAD Office of Evaluation's results-based work programme and budget for 2011 and indicative plan for 2012-2013; and the Progress report on human resources reform respectively) will link resource management to continuing effectiveness and efficiency planning.

XV. Treasury outcomes 2011-2013

82. As IFAD has increased its programme of work, there has been a consequent need for an enhanced level of financial management to place renewed emphasis on efficient management of cash resources. Liquid resources are managed to preserve capital, while simultaneously attempting to generate a positive risk-adjusted return. IFAD has examined its investment policies, including its minimum liquidity requirement, assisted by an external review in order to enhance its resource management and through a revised policy will shift to more proactive asset liability management.

83. Decentralization of its operations through expanded country presence requires IFAD to delegate operational aspects of its banking relationships, which entails ensuring that this transformation is financially sound. Finally, the financial management and resource mobilization functions work seamlessly together to facilitate IFAD's resource mobilization drive from the beginning of replenishment negotiations to the structuring, managing and servicing of the mobilized funds.

84. The Treasury Division (TRE) took an active role in the structuring and negotiation of the Spanish Trust Fund. The Division is also managing the proceeds of the Trust Fund pending their disbursement. This is in addition to other supplementary funds. Non-IFAD supplementary funds being managed by TRE total US$1.032 billion. TRE is moving towards expanding the needed capacity for more in-house fund management while simultaneously strengthening the requisite compliance and risk management capabilities.

XVI. Administrative services outcomes 2011-2013

85. IFAD's Administrative Services Division (ADM) will pursue more efficient headquarters management and provide administrative support to the expanded country presence. To establish 40 ICOs by 2011, ADM is setting up an administrative framework for staff operating in the ICOs, including for negotiation of host agency service agreements, host country agreements in conjunction with the Office of the General Counsel, diplomatic immunities and facilities for IFAD's ICO staff.

86. With the aim of serving IFAD's broader objectives through excellence in building services, ADM is exploring opportunities through outsourcing, development of joint services with the R3 agencies and standardization of support activities. In order to identify further potential efficiency gains, ADM will be reviewing the workflows and processes in all of its sections. Depending on the findings, this effort may result in the updating of workflows and administrative policies and procedures.

87. To achieve economies of scale in its administrative services, ADM will also analyse the potential for further R3 cooperation and, specifically, intensify its work in the Common Procurement Team.

88. In order to offer an optimal working environment for IFAD staff, ADM monitors energy consumption, carbon imprint and paper consumption, and it maintains a "green building" certificate. In this context, ADM will analyse the feasibility of further greening its headquarters through specific projects such the mounting of solar panels on the roof of the building.

XVII. Human resources management outcomes 2011-2013

89. IFAD's staff is its core asset, achieving IFAD's results in collaboration with country-level and international counterparts. In 2010, IFAD prepared an inventory of its current workforce and of the many types of contractual arrangements and tenures in order to assess their suitability and productivity, incentives, performance results and costs to the organization. Taking account of the new operating model – with an emphasis on expanding IFAD's country presence and project implementation – HR management is undergoing reform, as stipulated in the IFAD8 replenishment agreement (see appendix, page 10), that will streamline and reinforce the use of IFAD's human resources and provide a coherent framework for recruitment, deployment, retention and development of staff – and thus generate greater returns on the HR investments IFAD is making both at headquarters and in the ICOs.

90. In the Eighth Replenishment period, 2010-2012, HR reform is being fully integrated into IFAD's overall strategic planning, results and performance management, and resource allocation systems (outlined more specifically in the document Update on Change and Reform implementation). In the context of its new cascading planning tools,[8] for the first time IFAD has adopted a strategic workforce plan to support delivery of development impact and an expanded programme of work (detailed in the Progress report on human resources reform). The plan focuses on the need to optimize the configuration, mobilization and management of the workforce relative to two results: (i) improving IFAD's development effectiveness; and (ii) increasing its efficiency and value for money.

91. As described in the MTP logical framework, the SWP consists of three mutually reinforcing components: (i) strategic workforce alignment to support country programming and implementation; (ii) strategic workforce management for increased efficiency and cost containment; and (iii) strengthening of the corporate framework for managing the workforce for development effectiveness and efficiency.

92. The MTP also links IFAD's efforts with specific actions under the HR reform, as well as with target outcome indicators that focus on generating diversity and equity and endowing the institution with calibrated expertise and field-based experience – to ensure that IFAD's target group benefits from excellence in skills and competencies and updated technology transfer.

93. Finally, in terms of leading by example and emphasizing the contributions of women professionals as part of improving organizational effectiveness, IFAD leads the IFI community with women constituting 62 per cent of the total workforce (44 per cent among Professional staff and 79 per cent among General Service staff), 24 per cent of CPMs and 26 per cent of directors and P-5-level professionals.

XVIII. Information and communications technology outcomes 2011-2013

94. In the MTP period (see appendix, page 11), IFAD will continue to optimize its ICT infrastructure to guarantee continuous availability of corporate application systems and ICT services. With the objective of ensuring modern ICT support to its operations, IFAD has commissioned an external review of the adequacy of its ICT

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[8] The IFAD Strategic Framework 2011-2015 outlines IFAD's mandate and terms of engagement; the MTP identifies the outputs and activities under the three-year corporate workplan required to achieve the targets established in the RMF; the ZBB allocates budget resources according to results priorities and requirements; strategic workforce planning develops and allocates workforce resources according to results priorities and requirements – within the financial parameters of the ZBB; the annual programme of work and budget authorizes resources indicated by the ZBB and SWP for delivering the MTP to achieve RMF targets; the RMF sets overall institutional objectives and performance measures; the CPPMS provides a platform for everyday performance and resource management monitoring, and the RIDE reports to the Executive Board on progress achieved against the MTP and RMF.

services and capital investments to assess scope, structure, resources and processes.

95. IFAD continues to implement disaster recovery solutions and relocate critical business applications to business service centres (e.g. the United Nations International Computer Centre [UNICC]). The primary goal is to provide fault-tolerant systems and connections that allow IFAD to continue to operate without disruption in the event of technical failure.

96. IFAD is also taking action to ensure that these systems and services are as accessible to ICO staff as they are to headquarters staff. Having ensured access and usability, IFAD will make sure that users in ICOs are equipped with the necessary knowledge to participate effectively in corporate processes. Headquarters users will also be equipped to participate effectively in ICO processes. The primary goal in this area is to provide a secure Internet-based computing platform that effectively links headquarters with ICOs and other stakeholders in the field.

97. In parallel with ensuring access and usability of the ICT platform, IFAD continues to implement new or enhanced systems to support corporate priorities and streamlining, including an interactive web-based platform for Member State representatives (2011). The PeopleSoft financials platform will be upgraded and integrated with loan and grant operations. An enhanced ICT communications and collaboration platform will be provided, together with ICT support for regional knowledge networks. In addition, a number of online reports with "drill-down" capabilities or "dashboards" will be made available for data analysis and reporting, and new applications are being developed to enhance the efficiency of administrative processes, such as correspondence tracking and document production workflow.

98. Further business integration will be carried out across functional and technology platforms as well as staff performance and learning platforms to enhance workforce effectiveness. This progressive integration of processes and supporting tools will deliver strategic value in the form of substantive support to corporate decision-making processes.

XIX. Security Unit outcomes 2011-2013

99. In response to the IFAD risk assessment conducted in 2010 by the United Nations Department of Safety and Security (see appendix, page 11), the Security Unit (SEU) prepared an IFAD Security Strategy to address the gaps identified under the assessment. In 2011, the SEU will continue to implement the security strategy, with three proposed objectives: (i) strengthening the protection of IFAD headquarters against potential threats of various kinds; (ii) improving support to IFAD field operations, namely the ICOs and IFAD missions to project areas; and (iii) increasing staff security awareness through targeted security training.

100. In order to achieve these objectives, SEU will recruit a security officer at the P-3 level in 2011 to oversee the security of IFAD's country operations. It has redistributed work within the Unit to improve information processing regarding threats and risk to IFAD staff and operations worldwide. In 2011 and 2012, subject to resource allocations, the SEU will introduce additional security controls and assign extra security guards to the protection of the IFAD perimeter in line with United Nations best practice and will launch an all-staff security training programme particularly intended for staff members travelling to high-risk areas.

XX. Ethics Office outcomes 2011-2013

101. The Ethics Office was established on 1 February 2011 and is responsible for promoting and upholding the highest standards of the organization. To this end, the Ethics Officer will champion and oversee the ethics and compliance function and manage the organization's comprehensive ethics and anti-harassment programme.

This will be accomplished through guidance to Management to ensure that IFAD rules, policies, procedures and practices reinforce and promote the standards of integrity called for by the organization. Furthermore, the office will develop standards, training and education programmes on ethics issues and provide confidential advice to managers and staff on actions that may constitute violations of the Code of Conduct and Core Values such as conflicts of interest, outside activities and gifts.

102. Over the next two years, the Ethics Office will assume responsibility for managing the annual financial disclosure programme and obtaining yearly certification by staff that they will abide by the Code of Conduct. The office will also review allegations of misconduct and/or harassment and closely coordinate with the Office of Audit and Oversight (AUO) when an investigation is warranted ensuring confidentiality and protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations. In this regard, the office will develop a protocol and guidelines for managers and staff on how to deal with allegations of harassment and misconduct as well as tools to help managers prevent misconduct, or effectively address it when it occurs. Finally, the Ethics Office will oversee the assessment of organizational risk for misconduct and noncompliance with the Code of Conduct and Core Values and report to Senior Management on risks, incidents and initiatives driven by the ethics and compliance programme, and on progress towards programme goals.

XXI. Governing bodies outcomes 2011-2013

A. Outcomes of the Office of the Secretary

103. The Office of the Secretary (SEC) fulfils a dual role of supporting IFAD governance by promoting effective relationships between the Fund and its Member States through the governing bodies (the Governing Council and Executive Board, including their committees and working groups) and maintaining and promoting the Fund's diplomatic relations. Specifically, it fulfils these core responsibilities by: (i) servicing IFAD's governing bodies, be they formal or informal; (ii) maintaining and enhancing the institutional relationship with the Fund's current and potential Member States, conducting appropriate institutional dialogue with the broader membership between sessions, and reviewing and enhancing governance practices; and (iii) supporting the Fund's institutional image by providing appropriate protocol arrangements. In addition, SEC ensures that efficient editing, translation and interpretation services make IFAD's documentation and communication clear and accessible to all Member States.

104. During the MTP period (see appendix, page 13), SEC will continue to provide the aforementioned services, including quality control of documentation prepared for governing bodies, in the context of an increased programme of work. This will of course bring with it an increase in the number and length of governing body meetings and their associated documentation.

B. Outcomes of the Office of the General Counsel

105. The Office of the General Counsel (LEG) safeguards IFAD's interests and contributes to the work of the governing bodies and of IFAD's operational units in achieving IFAD's strategic objectives through strengthening of the rule of law in all of IFAD's operations, and through the promotion of innovative legal tools and services responsive to the organization's needs. In the context of the dynamic conditions that affect IFAD's daily work, LEG has a responsibility to ensure that IFAD adheres to the highest standards of integrity and transparency, most importantly in its management of human resources.

106. The activities of LEG help ensure that all of IFAD's operations comply with the Agreement Establishing IFAD, the rules and procedures of the governing bodies and other relevant laws and obligations. In addition, and particularly with respect to the

expansion of IFAD's country presence and partnerships, and pursuit of the vision of smallholders as business operators, LEG proposes new legal frameworks and instruments, which in turn will facilitate resource mobilization and programme and project approval, and build IFAD's capacity to respond to global events.

XXII. Achieving and measuring MTP outcomes and results

107. The MTP correlates IFAD's targeted results with the Corporate Management Results Framework, which is applied across the organization. Table 3 depicts the structure of CMRs, which emphasize IFAD's field-based programme of work under CMRs 1-3 and programme support operations under CMRs 4-9. IFAD's CMR Framework is aligned with international best practice in managing for development, which focuses on achieving the MDGs and incorporates the objectives agreed at the High-level Forum on Aid Effectiveness in Paris in 2005 and subsequently reinforced in Accra in 2008. The CMR Framework is also taken into consideration by IOE in order to coordinate results measurement coherently with IFAD Management.

108. Since 2006, IFAD has been implementing a results-based divisional and departmental quality control and performance planning, monitoring and management system – also based on the CMR Framework – which has further embedded a culture of results-orientation in the organization's work ethic. This has helped divisions focus on IFAD's core business in enhancing and deepening development impact for smallholder agriculture and concurrently in mitigating the risks of poor performance at all levels. Performance plans have been structured and managed in terms of achievement of IFAD's MTP, enabling the nurturing of performance to a greater and more productive level, with continuous feedback to staff and divisions.

Table 3
Results and process matrix for results-based budgeting in IFAD

Cluster	Outcome	Corporate management result		Process
	Operational			
1	Effective national policy, harmonization, programming, institutional and investment frameworks for rural poverty reduction	CMR 1 –	Better country programme management	Country programme development and implementation
		CMR 2 –	Better project design (loans and grants)	
		CMR 3 –	Better supervision and implementation support	
2	Supportive global resource mobilization and policy framework for rural poverty reduction	CMR 8 –	Better inputs into global policy dialogues for rural poverty reduction	High-level policy dialogue, resource mobilization and strategic communication
		CMR 10 –	Increased mobilization of resources for rural poverty reduction	
	Institutional support			
3	An effective and efficient management and institutional service platform at headquarters and in-country for achievement of operational results	CMR 4 –	Better financial resource management	Corporate management, reform and administration
		CMR 5 –	Better HR management	
		CMR 6 –	Better results and risk management	
		CMR 7 –	Better administrative efficiency and an enabling work and ICT environment	
4	IFAD's governing bodies function effectively and efficiently	CMR 9 –	Effective and efficient platform for Members' governance of IFAD	Support to Members' governance activities

109. To track IFAD's progress under CMRs 1-3 (relating to direct engagement with smallholder communities in developing countries – IFAD's core operations), the Board approved the revised RMF for the period 2010-2012, revealing IFAD's commitment as a learning institution that is "managing for development results" throughout the organization. The MTP links its success measures with the RMF cascading structure of indicators, which in turn are aligned with the reporting

instruments of other IFIs. New targets will be set for 2013-2015 as part of the IFAD9 exercise.

110. The revised RMF measures field-based performance and is linked with the CMRs, which in turn focus on IFAD's progress in developing as an effective institution. With the adoption of the revised RMF, IFAD has equipped itself with a compact set of decision-making and accountability instruments, providing a sound basis for accounting for the scarce and valued resources entrusted to IFAD – to be turned into development goods and services through the PBAS.

XXIII. Responding to risk in the MTP period 2011-2013

111. The MTP identifies risks to the Fund's operations at all levels. IFAD manages risk using a Corporate Risk Profile, which identifies corporate risks in all functional areas, establishing accountabilities for tracking and recording. The Enterprise Risk Management Committee (ERMC) reports on key risk issues, solutions and performance in mitigation on a quarterly basis to Management and the Audit Committee, and annually to the Executive Board. Risk management has been further enhanced by the designation of focal points for risk, with reporting roles in quarterly performance conversations and to the ERMC.

112. With specific attention to financial risks in the MTP period, IFAD is implementing an industry-standard audit attestation to the adequacy of internal controls in financial reporting, beginning with a readiness assessment in 2011, which would lead to full attestation in 2012.

113. AUO provides independent, objective assurance and advisory services designed to add value and improve operations. It helps IFAD accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. AUO also reviews and investigates possible or alleged irregular practices, including staff misconduct, fraud and corruption in IFAD activities, and actively promotes ethics, accountability, quality and continuous improvement in IFAD operations. AUO is committed to strengthening organizational effectiveness by directing its efforts to areas where it can add value by undertaking investigations and oversight functions. Organizational effectiveness entails efficiently managing the IFAD budget, human resources and internal processes, as well as fostering a culture of accountability and integrity in IFAD activities and operations. The pursuit of institutional goals will be the guiding priority for AUO in shaping its annual plan by considering the priorities of Senior Management, the risks outlined through enterprise risk management efforts, and other relevant factors.

114. IFAD is responding to risks to its staff and facilities in the Business Continuity Road Map and in the Security Strategy, which incorporates IFAD's security and risk assessments for its facilities at headquarters and in ICOs. The Road Map engages critical personnel under a framework for the prudent safeguarding of data and financial assets, safety of staff and rapid resumption of operational workflows in case of disruption.

Medium-term Plan: logical framework 2011-2013

IFAD STRATEGIC OUTCOMES 2011-2013

Strategic goals	Strategic objectives	Performance projections	Risks and assumptions
Increased incomes and enhanced food security for poor rural women and men by enabling the rural poor improve their food security and nutrition, raise their incomes, and strengthen their resilience.	Guided by the IFAD Draft Strategic Framework 2011-2015, IFAD contributes to: • A strengthened natural resource and economic asset base for poor rural women and men that is more resilient to climate change, environmental degradation, and market transformation; • Enhanced access of poor rural women and men to services that are essential for reducing poverty, raising incomes and strengthening resilience in a changing environment; • Strengthened capabilities of poor rural women and men and their organizations to manage profitable, sustainable, and resilient farm and non-farm enterprises or to take advantage of decent work opportunities; • Strengthened capabilities of poor rural women and men and their organizations to influence the policies and institutions affecting their livelihoods; and • Improved institutional and policy environments for rural economies, encompassing not only agricultural production but also the full range of non-farm activities that surround and contribute to the agricultural sector *Verification:* World bank and United Nations data; ARRI[1]	IFAD works with poor rural women and men to develop locality-specific opportunities by ensuring that poor rural people have better access to, and the skills and organization they need to take advantage of opportunities. At the macro level, IFAD will: • Take on a greater leadership role in rural development processes based on small-scale agriculture; • Help countries scale up successful operations that IFAD supports; • Expand its policy engagement; • Strengthen its pro-poor partnerships with a range of actors, including other UN agencies, public and private donors, and commercial enterprises that can bring investment, assets, and services to rural areas to the benefit of poor rural people; and, • Enhance its knowledge broker and advocacy role.	**Risks**: ▪ Global economic crisis continues to affect smallholder agriculture ▪ Input price volatilities (e.g. fuel and food) exacerbate smallholder investment risk ▪ Environmental degradation, including climate change and weather risks, negatively impact smallholder production ▪ Political instability erodes development achievements and impacts on implementation of on-going investments **Assumptions**: ▪ Adequate aid funding and effective donor coordination – global commitment to Paris Declaration on Aid Effectiveness and Accra Agenda ▪ IFAD8 replenishment contributions at $1.2bn[2] to expand programme of work to $3bn for 2010-2012 ▪ IFAD9 replenishment contributions at target of $2.1 bn to expand programme of work to $4.5bn for 2013-2015 ▪ Ratio of cofinancing to IFAD's resources: 1:1.5. Total volume of cofinancing $4.5bn ▪ Supplementary cofinancing of $48.5mn[3] for 2011-2013

Notes:

The logical framework of the IFAD Medium-term Plan 2011-2013 provides a tabulation of IFAD's corporate goals, outcomes, outputs and activities with resources, including human and financial inputs. The logical framework is intended to be read together with the main text of this report to ensure that the reader benefits from the context within which the divisions implement planned activities and attain their set objectives.

The amounts included in the resource inputs 2011-2013 column are indicative and are based on an initial high-level review of projected divisional resource needs under IFAD's administrative budget. Consequently, they should not be considered actual expenditure amounts. For 2011, the budget figures represent budgeted amounts; for 2012 and 2013 they represent projections and forecasts, respectively.

The aggregate of divisional budgetary resources displayed in the resource inputs 2010-2012 column do not sum back to the overall cluster totals on page 26. This is because only divisions primarily involved in the achievement of the outputs of the clusters are included, while resource inputs for divisions supporting multidivisional activities cannot be clearly presented in the logical framework structure.

The resource inputs 2011-2013 finance workforce full-time equivalents (FTEs) as well as non-staff costs. One FTE corresponds to the equivalent of a full staff year. The total of FTEs for divisional submissions is comprised of regular staff with continuing and fixed-term contracts and temporary staff. Consultants have been identified separately.

Staff projections for 2012 and 2013 are indicative and subject to change as the staffing plans are finalized and deliverables agree.

The MTP currently assumes an annual increase in the administrative budget of approximately 5.5% per annum for the period 2011-2013 compared to an average annual increase in expected POW of approximately 14% for the same period, reflecting administrative efficiencies already factored into divisional planning.

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[1] ARRI: Annual Report on Results and Impact of IFAD Operations.
[2] bn: billion.
[3] mn: million.

IFAD OPERATIONAL OUTCOMES 2011-2013

Operational outcomes	Measures of success and sources of verification	Work programme projections Country programme and project outputs (Level 3)	Resource inputs 2011-2013	Risks and assumptions

Operational outcomes

People receiving services from IFAD-supported projects
- People benefiting from IFAD assistance, with gender focus

Natural resource management
- Improved access to land and water resources
- Area impacted by constructed irrigation

Climate Change adaptation and mitigation
- Guidance and tools on innovative approaches to help smallholder producers build their resilience to climate change developed
- Smallholder farmers helped to take advantage of available mitigation incentives and funding
- Dialogue on climate change, rural development, agriculture and food security informed coherently

Agricultural technologies
- Increase in use of sustainable agriculture approaches and reduction in land and sea degradation
- Improved access to agricultural technology, know-how and efficient production services

Rural financial services
- Improved access to financial services and savings instruments
- Broad range of financial services and savings instruments

Market Access
- Improved access to markets: transparent, competitive, functioning and efficient markets for agricultural inputs and produce

Rural Microenterprise
- Opportunities for rural, off-farm employment and enterprise development
- Enhanced private-sector capacity and investment in rural economy

Empowerment of rural poor people
- Strengthened organizations and institutions supporting interests of poor rural people
- Enabling local and national policies
- Improved capacity for programme development and implementation (government, NGO, private sector)

Technical and vocational skills development
- Enabling rural youth to acquire new skills i.e agricultural technologies, services, entrepreneurship and financial literacy

Measures of success and sources of verification

People receiving services from IFAD-supported projects
2009: 36.6 mn   2012: 60 mn
Male/female ratio (%)   2009: 51:49   2012: 50:50

Natural-resource management (ha)
Common-property resource and under improved management practices
2009: 4.90 mn Tracked
Area under constructed/rehabilitated irrigation schemes
2009: 322,000 Tracked

Climate Change Adaptation and Mitigation
% of new RB-COSOPs   50% target by 2013)
% of new project designs   40% target by 2013

Agricultural technologies
People trained in crop production practices/technologies
2009:4.1 mn Tracked
Male/female ratio (%)   63:37 Tracked
People trained in livestock production practices/technologies
2008: 1.1 mn Tracked
Male/female ratio (%)   44:56 Tracked

Rural financial services
Active borrowers   2009: 4.8 mn Tracked
Male/female ratio (%)   51:49 Tracked
Voluntary savers   2009: 8.4 mn Tracked
Male/female ratio (%)   49:51 Tracked

Market Access
Roads constructed/rehabilitated (km)   2009: 21,000 Tracked
Marketing groups formed/strengthened   2009: 28,000 Tracked

Rural Microenterprise
People trained in business and entrepreneurship
2009: 277,000 Tracked
Male/female ratio (%)   48:52 Tracked
Enterprises accessing facilitated non-financial services
2009: 34,000 Tracked

Empowerment of rural poor people
People trained in community management topics   2009: 1.7 mn Tracked
Male/female ratio (%)   24:76 Tracked
Village/community action plans prepared   2009: 29,000 Tracked

Technical and vocational skills development
250,000 people receiving vocational training
1.8 mn people trained in income generating activities

IFAD country presence expanded to 40 countries (of which 10 are proposed for approval by 2013) Baseline 2009 (actual): 25 countries

Verification:
Annual RIDE[12]; RIMS[13] OSC[14] issues paper, QE panel reports

Work programme projections Country programme and project outputs (Level 3)

Asia and the Pacific Region:
- 6 COSOPs
- $1 159.92 mn in loan and country grant approvals
- $480 mn disbursement under ongoing portfolio

East and Southern Africa Region:
- 6 COSOPs
- $719.61 mn in loan and country grant approvals
- $320 mn disbursement under ongoing portfolio

Latin America and the Caribbean Region:
- 11 COSOPs
- $420.87 mn in loan and country grant approvals
- $196 mn disbursement under ongoing portfolio

Near East and North Africa Region:
- 1 COSOPs
- $382.36 mn in loan and country grant approvals
- $255 mn disbursement under ongoing portfolio

West and Central Africa Region:
- 7 COSOPs
- $668.63 mn in loan and country grant approvals
- $285 mn disbursement under ongoing portfolio

Global/regional programmes:
- $180 mn in global and regional grant approvals, including small grants

Knowledge management and innovation (KMI)
- Integrated KMI agenda – mainstreaming KMI into IFAD's core business

Policy dialogue:
- IFAD Draft Strategic Framework 2011-2015
- Rural Poverty Report – IFAD flagship publication
- Focused IFAD global-, regional- and national-level policy dialogue

Resource inputs 2011-2013

Zero-Based Budget ($ mn)
2011 - 2013

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Total
SKM[15]	1.7	6.8	1.1	1.2	10.7
CSSG[16]	11.1	19.4	5.4	28.5	64.4
CSD[17]	-	1.5	69.3	0.5	71.4
FOD[18]	7.7	-	19.1	0.5	27.4
PMD[19]	254.5	-	-	-	-
OPV[20]	2.7	2.9	3.2	1.8	10.6
Total	277.7	30.5	98.2	32.6	438.9

Strategic Work Plan (Staff - Fixed Term Equivalent)

	2011 Actual		2012 Projection		2013 Forecast	
	P[21]	GS[22]	P	GS	P	GS
SKM	8.00	2.00	8.50	2.00	8.50	2.00
CSSG	64.90	72.40	65.00	73.00	65.00	73.00
FAD	49.00	67.86	50.00	68.00	50.00	68.00
PMD	171.70	100.30	183.7	100.30	196.60	100.30
OPV	7.00	5.00	7.00	5.00	7.00	5.00
Total	298.85	247.56	314.50	253.00	327.10	248.30

Cluster 1 – Country programme development and implementation
Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication
Cluster 3 – Corporate management, reform and administration
Cluster 4 – Support to Members' governance activities

Risks and assumptions

Risks:
- Volatile political situations and absorptive capacity in fragile states
- Government policies unsupportive of objectives of aid-funded interventions
- External challenges to IFAD's resource Management
- Natural calamities

Assumptions:
- Delivery of $4.5 bn IFAD investment ($3 bn IFAD resources and $1.5 bn cofinancing from all sources)
- Improved country programme sustainability
- Improved financial resource mobilization and management
- Improved HR management enterprise risk management mainstreamed
- Improved administrative efficiency
- Strengthened support to programme and project implementation

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[12] RIDE: Report on IFAD's Development Effectiveness.
[13] RIMS: Results and Impact Management System.
[14] OSC: Operational Strategy and Policy Guidance Committee
[15] SKM: Office of Strategy and Knowledge Management
[16] CSSG: Corporate Services Support Group
  - Arab and Gulf States Liaison Office (AGL)
  - Office of Audit and Oversight (AUO)
  - Communications Division (COM)
  - North America Liaison Office (NAL)
  - Office of the General Counsel (LEG)
  - Office of the Secretary (SEC)
  - Replenishment Secretariat
  - Resource Mobilisation and Partnership Office
  - Partnership Unit
[17] CSD: Corporate Services Department
[18] FOD: Financial Operations Department
[19] PMD: Programme Management Department
[20] OPV: Office of the President and Vice President
[21] P: Professional staff
[22] GS

IFAD COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME (COSOP) AND PROJECT OUTCOMES 2011-2013 – *REGIONAL DIVISIONS* - CLUSTER 1

Operational outputs	Measures of success and sources of verification	Work programme projections (loans/Debt Sustainability Framework (DSF) grants)[23]			Resource inputs 2011-2013	Risks and assumptions

Programme Management Department (PMD):

- High-quality in-country strategies designed and implemented, with their relevance regularly assessed
- Design and approval of new, high-quality loan- and grant-funded operations
- On-going portfolio of loan and grant-funded projects efficiently supervised and effective and sustainable development results delivered

Better country programme and project management measured by: Country programmes rated marginally satisfactory or better at completion by IFAD Office of Evaluation (ARRI) and IFAD Management (PCR)[24]

	2010 (%)	2012 (%)
Effectiveness: ARRI	77	90
PCR	86	90
Rural Poverty Report ARRI	86	90
PCR	84	90
Gender Equality (ARRI does not reflect separately on gender equality) PCR	88	80
Innovation, learning and/or scaling up ARRI	95	80
PCR	79	75
Sustainability of benefits ARRI	65	75
PCR	76	75
Relevance ARRI	97	90
PCR	98	90
Efficiency ARRI	57	75
PCR	66	75
Adherence to aid effectiveness agenda Client survey	100	90

Better quality at design: Projects rated 4 or better at entry (%): from Quality Assurance at entry

	2009/10	2012
• Effectiveness:	94	90
• Rural poverty impact on target group (e.g. through physical and financial assets, food security, empowerment)	87	90
• Sustainability of benefits	90	90
• Gender equity	86	90
• Innovation, learning and/or scaling up	77	90
• % of ongoing projects actually receiving international cofinancing (Source: PPMS)	55	65
• Average # months from project approval to first disbursement (Source: PPMS)	16.7	14
• % of problem projects in which major corrective actions are taken (proactivity index) - Source: Divisional PPR 2010	50	7
• % of projects for which IFAD performance is rated 4 or better (3 year rolling average) - Source: ARRI	71	75
• % of problem projects in ongoing portfolio - Source: PPR	18	15
• % of time over-runs for ongoing projects - Source: PPMS	22	20
• Average # of days for processing withdrawal applications - Source: WATS	28	31

ASIA AND THE PACIFIC DIVISION (APR): 6 COSOPs

2011	2012	2013
Bangladesh, China, Central Asia, Pacific, Lao PDR, India		

Programme of loans and grants being worked on: $1,159.9 mn

| $405.2 mn: India, Tajikistan, Mongolia, Bangladesh, China, Kyrgyzstan, Sri Lanka, Samoa, Timor Leste, Cambodia, Indonesia, Philippines, Pakistan, Lao PDR | $342.0 mn: China, India, Indonesia, Maldives, Myanmar, Philippines, Afghanistan, Kiribati, Tonga, Nepal | $412.7 mn Bangladesh, Bhutan, Cambodia, Indonesia, Kiribati, Lao PDR, Mongolia, Nepal, Philippines, Timor Leste, Viet Nam |

Loan and grant disbursements

| $175 mn disbursed | $185 mn disbursed | $195 mn disbursed |

EAST AND SOUTHERN AFRICA DIVISION (ESA): 6 COSOPs

| Mozambique, Zambia | Uganda, Madagascar | Kenya, Rwanda |

Programme of loans and grants being worked on: $719.1 mn

| $274.6 mn: Lesotho, South Africa, Madagascar, Eritrea, Zambia, Rwanda, Malawi, Comoros, Ethiopia | $120.5 mn: Madagascar, Mozambique, Malawi, Angola, Mauritius, Ethiopia, Swaziland, Kenya | $324.5 mn Uganda, Comoros, Eritrea, Rwanda, Botswana, Zambia, Swaziland, Burundi, Mozambique, Ethiopia |

Loan and grant disbursements

| $115 mn disbursed | $121 mn disbursed | $121 mn disbursed |

LATIN AMERICA AND THE CARIBBEAN DIVISION (LAC): 11 COSOPs

| Honduras | Argentina, Ecuador, El Salvador, Guatemala, Nicaragua, Panama | Bolivia, Colombia, Mexico, Venezuela (Bolivarian Republic) |

Programme of loans and grants being worked on: $420.9 mn

| $149.8 mn: Bolivia (Plurinational State of), Ecuador, Honduras, Haiti, Argentina, Peru, Brazil, Colombia | $108.1 mn: Brazil, MesIFAD Country Office, Panama, Venezuela (Bolivarian Republic of), Jamaica, Paraguay, Guyana, Suriname, Nicaragua, Guatemala, El Salvador | $163.0 mn Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras |

Loan and grant disbursements

| $66 mn disbursed | $70 mn disbursed | $75 mn disbursed) |

NEAR EAST AND NORTH AFRICA DIVISION (NEN): 1 COSOP

| | Egypt | |

Programme of loans and grants being worked on: $382.4 mn

| $161.1 mn: Azerbaijan, Yemen, Sudan, Georgia, Egypt, Bosnia and Herzegovina, Morocco, Fragile situations: Iraq | $100.7 mn Lebanon, Turkey, Albania, Tunisia, Egypt, Uzbekistan, Sudan | $138.9 mn Moldova, Yemen, Jordan, Sudan, Armenia, Georgia |

Loan and grant disbursements

| $75 mn disbursed | $79 mn disbursed | $82 mn disbursed |

WEST AND CENTRAL AFRICA DIVISION (WCA): 7 COSOPs

| Benin, Democratic Republic of the Congo, Niger, Liberia | Burkina Faso, Cameroon, Ghana | |

Programme of loans and grants being worked on: $668.8 mn

| $266.4 mn *: Central African Republic, Senegal, Mauritania, Burkina Faso, Côte d'Ivoire, Congo, Niger, Liberia, Ghana, Nigeria | $120.8 mn: Gambia, Benin, Cape Verde, Democratic Republic of the Congo, Guinea-Bissau, Guinea | $281.7 mn Nigeria, Gambia (The), Chad, Burkina Faso, Gabon, Sao Tome & Principe, Liberia, Cameroon, Senegal |

Loan and grant disbursements

| $100 mn disbursed * excludes S. Leone ($50 mn) to be cofinanced through GAFSP | $115 mn disbursed | $130 mn disbursed |

ASIA AND THE PACIFIC DIVISION (APR)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1:	15.3	16.4	17.5
Strategic Work Plan (Staff – Fixed Term Equivalent) *			
Professional Staff	36.5	39	40
General Service Staff	16.0	16.0	16.0
Consultants	47.0	45.0	42.0

EAST AND SOUTHERN AFRICA DIVISION (ESA)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1	14.8	15.8	16.9
Strategic Work Plan (Staff – Fixed Term Equivalent) *			
Professional Staff	33.8	35.9	37.9
General Service Staff	26.0	26.0	26.0
Consultants	28.0	26.0	24.0

LATIN AMERICA AND THE CARIBBEAN DIVISION (LAC)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1	11.0	11.8	12.6
Strategic Work Plan (Staff – Fixed Term Equivalent) *			
Professional Staff	19.3	20.3	22.3
General Service Staff	8.0	8.0	8.0
Consultants	28.0	27.0	26.0

NEAR EAST AND NORTH AFRICA DIVISION (NEN)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1	10.6	11.3	12.1
Strategic Work Plan (Staff – Fixed Term Equivalent) *			
Professional Staff	23.0	24.0	25.0
General Service Staff	13.0	13.0	13.0
Consultants	30.0	29.0	27.0

WEST AND CENTRAL AFRICA DIVISION (WCA)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1	13.9	14.9	15.9
Strategic Work Plan (Staff – Fixed Term Equivalent) *			
Professional Staff	29.0	32.0	34.0
General Service Staff	22.0	22.0	22.0
Consultants	27.0	26.0	25.0

Cluster 1 – Country programme development and implementation, Including IFAD Country Offices FTEs
Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication
Cluster 3 – Corporate management, reform and administration
Cluster 4 – Support to Members' governance activities

Design of COSOPs[25]
Risks:
- Political volatility affect country programme portfolio
- Inadequate budget for quality enhancement panels
- Insufficient resources (financial and human) to manage programme of work
- Shortage in supplementary funds, co-financing and supplementary resources

Assumptions:
- Country ownership and alignment with government priorities
- Efficient resource mobilization
- Strengthened inter-agency collaboration
- Environment and natural resource management policy (May 2011)
- Private-sector strategy (Dec 2011)
- Middle-income country strategy (May 2011)
- Partnership strategy (Sep 2011)
- Efficient knowledge management (KM)
- PBAS[26] allocations by country and region
- Adequate staffing and administrative budget
- Efficient programme approval process, including OSC[27], QE[28] and QA[29]

Design and approval of new projects
Risks:
- Political volatility and elections affect country programme portfolio
- Lack of counterpart funding and commitment to address policy constraints
- Delays in national approval process
- Supplementary funds not disbursed as expected

Assumptions:
- Revised lending policies and criteria
- Strengthened administrative efficiency
- Country presence in 40 countries, including an additional 10 IFAD country are approved by 2013
- Sufficient resources for project design and supervision
- Results-focused dialogue with co-financiers
- Timely approval and implementation of co-financing
- Correlation of grant proposals with IFAD priorities
- Appropriate financial products
- Improved resource mobilization and management of funding arrangements
- Systematic approach to innovation and scaling up
- Efficient project approval process, including OSC, QE, and QA

Portfolio implementation
Risks:
- Poor implementation of country systems and project fiduciary controls

Assumptions:
- Revised procurement audit guidelines (Dec 2011)
- Direct supervision procedures: All projects supervised by IFAD in 2012
- Efficient loan administration
- New loan and grant system and manuals
- Efficient ICT support
- Effective rules, procedures and documentation requirements
- Timely establishment of field presence, including HR and ICT support
- Recruitment for vacancies, especially in IFAD Country Offices to enhance portfolio performance and direct supervision by IFAD Country Office staff.
- Strengthened project management
- Streamlined transaction/document clearance processes
- Strengthened project design processes
- Strengthened operational policies and guidelines

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[23] As of 23 February 2011. Final amounts will be consistent with 2010-2012 PBAS allocations. 2013 projections are based on current estimates.
[24] PCR: Project/Programme Completion Report
[25] COSOP: Country Strategic Opportunities Programme
[26] PBAS: Performance-Based Allocation System
[27] OSC: Operational Strategy and Policy Guidance Committee
[28] QE: Quality Enhancement
[29] QA: Quality Assurance

4

Operational outputs	Measures of success and sources of verification	Work programme projections			Resource inputs 2011-2013	Risks and assumptions
		2011	**2012**	**2013**		

Operational outputs	Measures of success and sources of verification	2011	2012	2013	Resource inputs 2011-2013	Risks and assumptions
POLICY AND TECHNICAL ADVISORY DIVISION (PTA) ▪ Design and approval of new, high-quality global and regional grant-funded operations ▪ High-quality implementation of and learning from global and regional grant-funded operations ▪ Design and approval of new, high-quality COSOPs ▪ Design and approval of new, high-quality loans and DSF grant projects ▪ High-quality knowledge products for technical and policy support	**Better grant project design measured by:** ▪ 87 technical reviews of large grants (from Grants QE minutes), ▪ 190 technical reviews of small grants (incl. suppl. funds) (from Grants Consolidated Tracking sheet) ▪ 277 global and regional grants approved ▪ 90 financing agreements entered into with Consultative Group on International Agricultural Research Centres ▪ 45 of financing agreements entered into with Financing Facility for Remittances grant recipients ▪ 15 design missions **Better implementation for and learning from large global/regional grants:** ▪ 80% of projects rated 4 or better for overall implementation progress **Better project design (loans & DSF grants) measured by:** ▪ 31 QE reviews completed - COSOPs ▪ 166 of QE reviews completed – loan, Debt Sustainability Framework and Environment and Natural Resource Management/Climate Change projects ▪ 39 design missions ▪ 30 associated knowledge products developed **Better supervision & implementation support (loans, grants and COSOPs) measured by:** ▪ 40 implementation support and supervision missions that PTA staff/consultants participate in (from BToRs – see PTA xDESK) ▪ 30 associated knowledge products developed *Verification:* ▪ Executive Board documents, Divisional Portfolio Performance Reports (see Programme Management Department xDESK site), Loan and Grant System Divisional Portfolio Performance Reports ▪ Annual RIDE	**Large global and regional grants approved: $40 mn (24 grants):** ▪ Sustainable agriculture ▪ Land and water ▪ Farmers' organizations, market access and policy ▪ Rural financial systems ▪ Smallholder farming as business ▪ Targeting, indigenous peoples, youth and women's empowerment ▪ Knowledge-sharing ▪ Regional organization ▪ Knowledge management **Small global and regional grants approved: $10 mn (60 grants)** Supplementary-funded grants: ▪ 30 grants under European Commission/Consultative Group on International Agricultural Research facility $90 mn ▪ 15 grants under Financing Facility for Remittances **Country Programme Support** ▪ Technical and policy support to and 44 QE panels for projects and 10 Environment and Natural Resource Management/Climate Change projects, 13 COSOPs country programme management teams, 25 design and implementation missions ▪ Knowledge products for Learning and Guidance Notes, Technical Advisory Notes, thematic papers and publications, seminars and presentations **Grant disbursements** $40 mn disbursed through global and regional grants	**Large global and regional grants approved: $48 mn (28 grants):** ▪ Sustainable agriculture ▪ Land and water ▪ Farmers' Organizations, market access and policy ▪ Rural financial systems ▪ Smallholder farming as business ▪ Targeting, indigenous peoples, youth and women's empowerment ▪ Knowledge management **Small global and regional grants approved: $12 mn (65 grants)** Supplementary-funded grants: ▪ 30 grants under European Commission/Consultative Group on International Agricultural Research facility $90 mn ▪ 15 grants under Financing Facility for Remittances **Country Programme Support** ▪ Technical and policy support to 48 QE panels for projects and 6 Environment and Natural Resource Management/Climate Change projects, 12 COSOP country programme management teams, 26 design and implementation missions ▪ Knowledge products for Learning and Guidance Notes, Technical Advisory Notes, thematic papers and publications, seminars and presentations **Grant disbursement** $46 mn disbursed through global and regional grants	**Large global and regional grants approved: $56 mn (35 grants** ▪ Sustainable agriculture ▪ Land and water ▪ Farmers' Organizations, market access and policy ▪ Rural financial systems ▪ Smallholder farming as business ▪ Targeting, indigenous peoples, youth and women's empowerment ▪ Knowledge management **Small global and regional grants approved: $14 mn (65 grants)** Supplementary-funded grants: ▪ 30 grants under European Commission/Consultative Group on International Agricultural facility $90 mn ▪ 15 grants under Financing Facility for Remittances **Country Programme Suppor** ▪ Technical and policy support to 48 QE panels for projects and 10 Environment and Natural Resource Management/Climate Change projects, 6 COSOP country programme management teams, 28 design and implementation missions ▪ Knowledge products for Learning and Guidance Notes, Technical Advisory Notes, thematic papers and publications, seminars and presentations **Grant disbursements** $52 mn disbursed through global and regional grants	**Risks:** ▪ Recipients do not propose grants that confirm to IFAD policies/strategies ▪ Resources from supplementary funds do not materialize as expected ▪ Delays in issuing small grant agreements due to lack of familiarity with the process ▪ Costs of QE panels and budget: Division restrictions can limit the effectiveness of QE panels ▪ Result-based budget continues to be Division driven by pipeline lending targets ('design bias'). ▪ PTA does not have sufficient resources (financial & human) to participate in implementation support/supervision missions. **Assumptions:** ▪ Grant proposals sufficiently match IFAD's priorities in grant financing ▪ Revised grant guidelines ▪ QE procedures for loans and grants are refined and the division continuously builds on efficiencies identified in the review process ▪ Improvement in resource mobilization ▪ Regional divisions fund the design, implementation support and supervision missions in case of budget gaps ▪ Divisions submit number of COSOPs, loan and Debt Sustainability Framework grant proposals as projected

Resource inputs 2011-2013 table:

POLICY AND TECHNICAL ADVISORY DIVISION (PTA)			
	2011	**2012 Projection**	**2013 Estimate**
Zero Based Budget - $ mn			
Cluster 1	8.5	9.1	9.8
Strategic Work Plan (Staff – Fixed Term Equivalent) *			
Professional Staff	25.2	27.5	29.5
General Service Staff	13.7	13.7	13.7
Long-term consultant	8.0	6.0	4.0
All consultants	20.0	20.0	20.0

Cluster 1 – Country programme development and implementation
Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication
Cluster 3 – Corporate management, reform and administration
Cluster 4 – Support to Members' governance activities

Operational outputs	Measures of success and sources of verification	Work programme projections			Resource inputs 2011-2013	Risks and assumptions
		2011	2012	2013		
ENVIRONMENT AND CLIMATE CHANGE DIVISION (ECD) ▪ Environmental and climate change issues mainstreamed in IFAD's operations	▪ New COSOPs and project documents reflect climate and environment risks and opportunities ▪ QE Panel reports highlight environment and climate change concerns, QE Panel summary assessments record ratings on environment & climate change issues ▪ Environment and climate technical implementation support provided for IFAD loans ▪ Environmental and climate co-financing for IFAD loans secured (for example Global Environment Facility Trust fund, Adaptation Trust Fund or other sources) ▪ IFAD knowledge shared in international fora (COPs[30], Global Donor Platform for Rural Development, UN/International Financial Institution meetings) ▪ IFAD's internal and external environment and climate networks established/enhanced. ▪ Environment and climate related knowledge, innovation and advocacy activities and products available to IFAD staff and partners enhanced. *Verification:* Annual RIDE	▪ Environment and natural resource management (Environment and Natural Resource Management) policy approved by the Executive Board (May 2011) ▪ Mainstreaming Environment and Natural Resource Management and Climate Change in IFAD's policies, strategies and projects (i.e. Draft Strategic Framework). ▪ Smallholder Adaption Programme (SAP) ▪ 3 IFAD tools and guidelines that include Environment and Natural Resource Management and Climate Change issues updated/prepared (i.e. Strategic Environment Assessments/Results-Based COSOPs/QE guidelines) ▪ 8 environment and climate knowledge events at headquarters or in region held. ▪ 5 OSC reviews highlight Environment and Natural Resource Management and Climate issues. ▪ 3 strategic environment assessments ▪ 20 environmental social review notes ▪ 5 technical implementation support for IFAD loans ▪ Global Environment Facility, Adaptation Fund and other co-financing identified, designed and implemented: 8 concept notes approved; 10 endorsed, 20 supervised ▪ Internal Environment and Natural Resource Management and Climate Change online knowledgebase ▪ Environment and Climate institutional training programme. ▪ Continued policy advocacy through internal and external networks ▪ Prominence for smallholders increased at Rio Conventions meetings, including Durban, UN-Framework Convention on Climate Chance ▪ ECD capacity increased and staff shared with regions.	▪ 8 environment and climate knowledge events at HQ or in region held. ▪ 15 OSC reviews highlight Environment and Natural Resource Management and Climate Changes issues. ▪ 3 strategic environment assessments undertaken ▪ 20 environmental social review notes undertaken ▪ Global Environment Facility, Adaptation Fund and other co-financing identified, designed and implemented: 7 concept notes approval; 6 endorsed, 29 supervised ▪ 5 technical implementation support for IFAD loans undertaken ▪ Internal Environment and Natural Resource Management and Climate Change online knowledgebase maintained ▪ Environment and Climate institutional training programme implemented ▪ Monitoring and Evaluation framework for Environment and Natural Resource Management and Climate Change ▪ Continued policy advocacy through internal and external networks ▪ Smallholders on UN-Framework Convention on Climate Change meeting agenda ▪ Annual green award for staff	▪ 8 environment and climate knowledge events at HQ or in region held. ▪ 20 OSC reviews highlight Environment and Natural Resource Management and Climate Change issues ▪ 3 strategic environment assessments undertaken ▪ 20 environmental social review notes undertaken ▪ 5 technical implementation support for IFAD loans undertaken ▪ Global Environment Facility, Adaptation Fund and other co-financing identified, designed and implemented: 7 concept notes approval; 10 endorsed, 33 supervised ▪ Internal Environment and Natural Resource Management and Climate Change online knowledgebase maintained ▪ Environment and Climate institutional training programme implemented ▪ Monitoring and Evaluation framework for Environment and Natural Resource Management and Climate Change ▪ Continued policy advocacy through internal and external networks ▪ Smallholders on UN-Framework Convention on Climate Change meeting agenda ▪ Annual green award for staff	<table><tr><td colspan="4">**ENVIRONMENT AND CLIMATE CHANGE DIVISION (ECD)**</td></tr><tr><td></td><td>2011</td><td>2012 Projection</td><td>2013 Estimate</td></tr><tr><td colspan="4">**Zero Based Budget- $ mn**</td></tr><tr><td>Cluster 1</td><td>1.98</td><td>2.10</td><td>2.30</td></tr><tr><td colspan="4">**Strategic Work Plan (Staff – Fixed Term Equivalent)**</td></tr><tr><td>Professional Staff</td><td>9.0</td><td>10.0*</td><td>12.0</td></tr><tr><td>General Service Staff</td><td>4.0</td><td>4.0*</td><td>4.0</td></tr><tr><td>Consultants</td><td>6.0</td><td>7.0</td><td>7.0</td></tr></table>*staff increases dependent on budget savings in 2011	**Risks:** ▪ Inadequate resources for environment and climate change work ▪ Failure to secure supplementary financing ▪ Availability and quality of consultants for programme and project design assignments, especially in fragile countries **Assumptions:** ▪ Continued contribution to the global concern for protection of the environment ▪ Supplementary funding for integration of climate and environment risks and opportunities in portfolio
PROGRAMME MANAGEMENT DEPARTMENT – Front Office (PMD) ▪ Improved country programme sustainability ▪ Strengthened support to programme and project implementation	Approved policy and strategy documents *Verification:* Annual RIDE	▪ Implement revised Procurement Guidelines ▪ Middle-income country strategy ▪ Grant procedures (with SKM and PMD) ▪ Strengthened loan and grant design processes ▪ New direct supervision procedures ▪ Country presence strategy ▪ Toolbox/procedures for grants, indigenous peoples, land, rural finance, scaling up, Poverty Reduction Strategy and Sector-Wide Approach programmes (with PTA) ▪ Review RIMs guidelines ▪ Private-sector strategy ▪ Gender strategy (with PTA) ▪ Partnership strategy ▪ Spanish Trust Fund	▪ # of new/revised knowledge tools for improved project design (with PTA) ▪ Partnership strategy ▪ On-going review of PBAS ▪ Spanish Trust Fund ▪ Project/Programme Completion Report guidelines ▪ Spanish Trust Fund	▪ Upgraded Project and Portfolio Management System	<table><tr><td colspan="4">**PROGRAMME MANAGEMENT DEPARTMENT** **Front Office (PMD)**</td></tr><tr><td></td><td>2011</td><td>2012 Projection</td><td>2013 Estimate</td></tr><tr><td colspan="4">**Zero Based Budget - $ mn**</td></tr><tr><td>Cluster 1</td><td>**3.0**</td><td>3.3</td><td>3.5</td></tr><tr><td colspan="4">**Strategic Work Plan (Staff – Fixed Term Equivalent)**</td></tr><tr><td>Professional Staff</td><td>**9.0**</td><td>9.0</td><td>9.0</td></tr><tr><td>General Service Staff</td><td>**4.8**</td><td>4.8</td><td>4.8</td></tr><tr><td>Consultants</td><td>**1.5**</td><td>1.5</td><td>1.5</td></tr></table> Cluster 1 – Country programme development and implementation, including IFAD Country Offices FTEs Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication Cluster 3 – Corporate management, reform and administration Cluster 4 – Support to Members' governance activities	

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[30] COP: Conference of the Parties – United Nations Framework Convention on Climate Change (UNFCCC), Convention on Biological Diversity (CBD), Convention on Sustainable Development (CDS)

IFAD KNOWLEDGE MANAGEMENT, POLICY ADVOCACY AND COMMUNICATION, AND PLANNING AND BUDGET OUTCOMES 2011-2013 – CLUSTER 2

Operational outputs	Measures of success and sources of verification (Level 5)	Work programme projections			Resource inputs 2011-2013	Risks and assumptions
		2011	**2012**	**2013**		

Operational outputs	Measures of success	2011	2012	2013	Resource inputs	Risks and assumptions
OFFICE OF STRATEGY AND KNOWLEDGE MANAGEMENT (SKM) ▪ Strategic knowledge and research partnerships and networks ▪ Knowledge products and processes ▪ Global and regional policy dialogues ▪ Enhanced capacity for analytical work ▪ IFAD programmes, strategies and policies informed by state of the art thinking ▪ IFAD is managed to optimize development effectiveness and efficiency ▪ Integrated Knowledge Management and Innovation (KMI) agenda – mainstreaming KMI into IFAD's core business ▪ 3-year rolling administrative plan and integrated budget prepared using zero-based and results-based budgeting approach ▪ Annual administrative and capital budgets aligned with operational targets ▪ Performance reporting on results	▪ Score of moderately satisfactory or better on performance assessment scale for two international policy engagement initiatives ▪ 2012 and 2013: Strengthened institutional capacity for international policy engagement in at least two lagging areas identified by 2010 baseline self-assessment ▪ Yearly report on partnership prepared and shared with partners. ▪ Conferences and seminars organised and rated by participants as successful to meet the objectives. ▪ Number of knowledge products developed/prepared/shared and reported through an annual report. ▪ Number of policy dialogues participated or led and an annual report on the outcomes. ▪ Number of seminars on key development and operational issues organised and implications for IFAD's operations; ▪ Results management system reflects evolution of IFAD's objectives and includes key metrics ▪ IFAD adopts management for efficiency system with targets, metrics and indicators ▪ IFAD develops and adopts a strategic plan for strengthening the relevance and level of its support to developing countries responsive to their different resources and requirements **Verification:** ▪ Annual RIDE ▪ IFAD reports and website	▪ Strengthen engagement and partnership with FAO and others in CFS ▪ Enhancing partnerships with GAFSP[31], LDCs[32], G-20, IFPRI[33], ILO[34], Povnet ▪ Create a pilot network of South research Institutions ▪ Thematic Conference on New Directions for Smallholder Agriculture and conference publication ▪ Knowledge website established and briefs shared ▪ 5 Occasional papers ▪ Lead the preparation of IFAD's Strategic Framework and collaborate on other policy papers (ie. Gender) ▪ Seminars and Conferences on key development and operational issues ▪ Share knowledge with GC ▪ Engage in various policy dialogues and provide inputs to Management to engage in policy discussions ▪ Contribute to knowledge products ▪ Initiate work on developing the IFAD Rural Poverty Index ▪ Advise on statistical issues ▪ Establish SKM statistical unit and recruitment of staff ▪ Outreach of RPR 2011 ▪ IFAD's CPPMS[35] is updated to reflect management requirements identified in quarterly performance reviews ▪ IFAD9 Consultation documentation ▪ First zero-based budget with needs-based analysis of requirements for RMF[36] targets ▪ Quarterly and annual performance reviews ▪ Pilot programme for planning and monitoring improved administrative efficiency	▪ Deepen engagement with the partners by developing a programme of work for partner research institutions; ▪ Continued engagement with partners i.e GAFSP, LDCs, ILO; IFPRI and other UN forums and regional initiatives like NEPAD[37]. ▪ 8 Occasional papers ▪ Thematic workshop on a focus area (identified in consultation with other IFAD stakeholders) and subsequent publication ▪ Knowledge sharing with members of GC ▪ Initiate two knowledge products with PMD ▪ Publication on future of Smallholder Farming (Conference Follow up) ▪ Support to operational processes (COSOP review, project QA) ▪ Guidance notes reviewed and refined (with PTA) ▪ Advocacy and research institutions networks in developing regions; ▪ Publication of Working Papers; ▪ Further strengthen Statistical Unit ▪ CPPMS revised to reflect IFAD9 RMF - revised version operational on pilot basis for Q2 review; ▪ Management for efficiency planning and monitoring system piloted from Q2 ▪ Corporate strategy on financial and technical support and services to members ▪ Second zero-based budget developed based on rolling budget within new draft Strategic Framework ▪ Capital budget focuses on efficiency and effectiveness in key business processes ▪ IFAD-wide system for planning and monitoring improved efficiency integrated into IFAD's results management system ▪ Medium Term Plan 2012-2014	▪ Continued partnership building in collaboration with PMD and other units of IFAD (such as ILC, COM) ▪ Further expansion of research network and development of a five year work programme, supported by IFAD Grants; ▪ 8 Occasional papers ▪ Identify new areas of partnership development; ▪ Thematic workshop on a focus area (identified in consultation with other IFAD stakeholders) and subsequent publication ▪ Development, implementation, monitoring and evaluation of international policy engagement ▪ Guidance notes reviewed and refined (with PTA) ▪ Global agriculture and development dialogue ▪ Thematic paper series (with PMD) ▪ Network of Research and Advocacy Institutions expanded into Africa ▪ IFAD9 operations monitored within results framework reflecting broad agreements in consultation report ▪ Outcomes of learning events disseminated at country level ▪ Innovative grant initiatives documented with PMD ▪ Third zero-based budget developed on a rolling budget basis within new Draft Strategic Framework ▪ Capital budget focuses on efficiency and effectiveness in key business processes ▪ Cross-IFAD system for planning and monitoring improved efficiency monitored within IFAD's results management system ▪ Medium Term Plan 2013-2015	(see table below)	**Risks:** ▪ International commitment to agricultural development among competing global concerns ▪ Uncertain country commitment to change and reform ▪ Incoherency among donors regarding policy advocacy **Assumptions:** ▪ Development of IFAD's emerging vision: agriculture as a business ▪ Improved knowledge management support to effective international policy engagement ▪ Knowledge management and innovation agenda communicated to staff ▪ Staff embrace Knowledge Management and Innovation ▪ Leadership by managers to promote Knowledge Management Innovation agenda and allocate time and resources dedicated to Knowledge Management and Innovation deliverables ▪ Disclosure policy implemented ▪ Functioning mitigation-oriented risk management ▪ Operational and administrative budgets are revised to take into account new and emerging business models and changes in the external environment ▪ Business processes are reviewed from perspective of value-added and right location ▪ IFAD9 consultation gives clear guidance on development of IFAD's objectives and key performance indicators ▪ Budget decentralization is embedded within firm corporate framework of cost management and benchmarking ▪ Governing bodies give clear indications of preferred lines of development of services and financial support in context of growing differentiation among IFAD members/borrowers

Resource inputs 2011-2013:

OFFICE OF STRATEGY AND KNOWLEDGE MANAGEMENT (SKM)			
	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1	0.5	0.6	0.6
Cluster 2	2.2	2.3	2.4
Cluster 4	0.4	0.4	0.4
Strategic Work Plan (Staff – Fixed Term Equivalent)			
Professional Staff	12.0	12.0	12.0
General Service Staff	4.0	4.0	4.0
Consultants	1.0	1.0	1.0

Cluster 1 – Country programme development and implementation
Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication
Cluster 3 – Corporate management, reform and administration
Cluster 4 – Support to Members' governance activities

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[31] GAFSP: Global Agriculture and Food Security Program
[32] LDCs: Least Developed Countries
[33] IFPRI: International Food Policy Research Institute
[34] ILO: International Law Organization
[35] CPPMS: Corporate Planning and Performance Management System
[36] RMF: Results Measurement Framework
[37] NEPAD: New Partnership For Africa's Development

Operational outputs	Measures of success and sources of verification (Level 5)	Work programme projections			Resource inputs 2011-2013	Risks and assumptions
		2011	2012	2013		
COMMUNICATIONS DIVISION (COM) • Position IFAD as leader in efforts to increase poor rural peoples' access to financial services, markets, technology, land and other natural resources	• Increased internal communications capacity • Improved quality of IFAD publications and products, including strategic approach to content and distribution • Priority country communication strategies implemented • IFAD is better known among target audiences ***Verification:*** IFAD reports and website	• IFAD Annual Report • RPR regional events • Communications toolkit launched • Focus on 10 priority countries selected by PMD • Occasional Paper series and other strategic IFAD publications • Replenishment efforts advanced by strategic communications • IFAD staff informed on corporate reform issues through internal communications • Training on new disclosure policy • Conduct baseline perception study for development of campaign strategy • Feature IFAD issues for major television broadcasters • Communications training • Capacity building of media/communications professionals in developing countries	• IFAD Annual Report • RPR launch • Communications toolkit updated • Focus on 10 priority countries selected by PMD • Occasional Paper series and other strategic IFAD publications • IFAD staff informed on HR reform issues through internal communications • Roll out campaign production, • Communications training • Roll out IFAD to major television broadcasters • Communications training • IFAD issues television series • Capacity building of media/communications professionals in developing countries	• IFAD Annual Report • Communications toolkit updated • Focus on 10 priority countries selected by PMD • Occasional Paper series and other strategic IFAD publications • IFAD staff informed on HR reform issues through internal communications • Campaign phase I evaluation and launch campaign phase II • Communications training • IFAD website language versioning • Capacity building of media/communications professionals in developing countries	(see resource table below)	**Risks:** • Risks to reputation with expanding country presence • Slow response capacity to address emerging external issues • Adequate and timely availability of resources for the campaign **Assumptions:** • Adequate staffing and administrative budget • Communications embedded in PMD programmes • IFAD staff at headquarters and in the field have the tools to communicate effectively • Corporate harmonization of IFAD Country Office and thematic websites • Corporate publications approach • Conduct perception study for the campaign and continuously monitor related activities

Resource inputs 2011-2013

COMMUNICATIONS DIVISION (COM)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1	1.6	1.7	1.7
Cluster 2	3.5	3.6	3.7
Strategic Work Plan (Staff – Fixed Term Equivalent)			
Professional Staff	19.5	22.5	22.5
General Service Staff	10.5	10.0	10.0
Consultants	6.0	6.0	6.0

Cluster 1 – Country programme development and implementation
Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication
Cluster 3 – Corporate management, reform and administration
Cluster 4 – Support to Members' governance activities

IFAD RESOURCE MOBILIZATION OUTCOMES 2011-2013 – CLUSTER 2

Operational outputs	Measures of success and sources of verification (Level 5)	Work programme projections			Resource inputs 2011-2013	Risks and assumptions
		2011	2012	2013		

Operational outputs	Measures of success and sources of verification (Level 5)	2011	2012	2013	Resource inputs 2011-2013	Risks and assumptions
RESOURCE MOBILIZATION AND PARTNERSHIP OFFICE (RMP) Supported by: - Partnership Unit (PAR) - Replenishment Secretariat (RES) ▪ IFAD replenishment contributions at $1.2 bn to expand Programme of Work at $3 bn	▪ Pledges and paid-in contributions received for a total of $1.2 bn ▪ Fill current projected Advance Commitment Authority gap in 2012 to maintain same level of Programme of Work ▪ Pledges to IFAD-8 and IFAD-9 announced ▪ Additional resources to Programme of Work, including through co-financing and loans to IFAD: tracked ▪ Six foundations approached **Verification:** IFAD9 report; annual financial statements; annual audits	▪ $1 bn in loans and grants and $190 mn in Multilateral Debt Relief Initiative costs and administrative budget ▪ $230 mn paid contributions ▪ $414 mn internal resources ▪ Approved Advance Commitment Authority 7-year ceiling absorbing gap between resource requirements and resources available ▪ Successful IFAD9 negotiations ▪ Pledges for IFAD9 at target level of $2.1 bn ▪ Partnership strategy ▪ $22 mn Supplementary funds ▪ $28 mn Global Environment Facility supplementary funds: $1.5 bn co-financing Two Foundations approached	▪ $1.2 bn in loans and grants ▪ $156 mn in paid contributions to IFAD7 and IFAD8 ▪ $421 in internal resources ▪ Resource gap of $90 mn above Advance Commitment Authority 7-year ceiling ▪ $720 mn in Advance Commitment Authority ▪ IFAD9 pledges concluded ▪ Achieve IFAD9 target ▪ IFAD9 Resolution and Instruments of Contribution ▪ $22 mn supplementary funds ▪ $21 mn Global Environment Facility supplementary funds ▪ $1.8 bn co-financing ▪ Four foundations approached	▪ Programme of Work allocation based on scenario agreed for IFAD9 ▪ Payments of instalments as agreed in Instruments of Contributions ▪ Supplementary funds $ 25 million ▪ Support to mobilize resources to SAP facility ▪ $2 bn co-financing: ▪ $21 mn Global Environment Facility supplementary funds: ▪ IFAD10 strategy assessment of List A engagement	**RESOURCE MOBILIZATION AND PARTNERSHIP OFFICE (RMP) PARTNERSHIP UNIT (PAR)** **Zero Based Budget - $ mn** <table><tr><td></td><td>2011</td><td>2012 Projection</td><td>2013 Estimate</td></tr><tr><td>Cluster 2</td><td>0.8</td><td>1.0</td><td>1.0</td></tr><tr><td>Cluster 4</td><td>0.2</td><td>0.2</td><td>0.2</td></tr></table> **Strategic Work Plan (Staff – Fixed Term Equivalent) *** <table><tr><td>Professional Staff</td><td>4</td><td>4</td><td>4</td></tr><tr><td>General Service Staff</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Consultants</td><td>-</td><td>-</td><td>-</td></tr></table> **REPLENISHMENT SECRETARIAT (RES)** **Zero Based Budget - $ mn** <table><tr><td></td><td>2011</td><td>2012 Projection</td><td>2013 Estimate</td></tr><tr><td>Cluster 2</td><td>0.3</td><td>0.3</td><td>0.3</td></tr><tr><td>Cluster 4</td><td>0.1</td><td>0.1</td><td>0.1</td></tr></table> **Strategic Work Plan (Staff – Fixed Term Equivalent) *** <table><tr><td>Professional Staff</td><td>1</td><td>1</td><td>1</td></tr><tr><td>General Service Staff</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Consultants</td><td>1</td><td>1</td><td>1</td></tr></table>	**Risks:** ▪ Economic conditions impact financial resource projections ▪ Partners' willingness to partner and political will ▪ Absence of strategic communications on resource mobilization exposes IFAD to risks to its reputation ▪ Global Environment Facility secretariat delays approval of IFAD-developed Global Environment Facility projects. **Assumptions:** ▪ Full mobilization of replenishment resources for commitment authority ▪ Revised investment policy ▪ Revised liquidity policy ▪ Champions identified for IFAD9 ▪ Country engagement strengthened ▪ Expanded co-financing strategy and new financial instruments ▪ Co-financing supported by corresponding risk and financial management capabilities ▪ Industry standard management assertion on internal controls of reporting implemented in 2012 ▪ At least 25% increase in Global Environment Facility-5 Trust Fund co-financing of IFAD operations over next Global Environment Facility replenishment period 2010-2014 ▪ At least 40% increase in combined Least Developed Countries Fund and Special Climate Change Fund co-financing of IFAD operations over next Global Environment Facility replenishment period 2010-2014
ARAB AND GULF STATES LIAISON OFFICE (AGL) ▪ Engage Arab & Gulf States to develop a supportive environment for their participation and potential increase in contribution to IFAD replenishments	▪ Number of high level visits and consultations organized ▪ Strengthened dialogue for stronger support to 9th replenishment negotiations ▪ Increased support to IFAD and potential increase in contributions ▪ Implementation of advocacy programs ▪ Engagement strategy and outreach activities. ▪ Increased co-financing ▪ Foundations engaged **Verification:** IFAD9 report; IFAD9 Resolution, annual financial statements;	▪ Successful IFAD9 negotiations ▪ IFAD9 Consultation resolution ▪ High level visits to capitals and bilateral consultations ▪ Partnership strategy ▪ Additional resources for Programme of Work through co-financing ▪ Rural Poverty Report seminars/launch in Gulf Region ▪ Knowledge and information sharing: ▪ Outreach publication on IFAD & Organisation of Islamic Countries ▪ Liaison office in the Gulf ▪ Seminar/workshop opportunity with Gulf foundations ▪ Resources from Foundations	▪ High level visits to capitals and bilateral consultations ▪ Liaison office in the Gulf ▪ Contribute to achieving IFAD9 target ▪ Secure additional resources for Programme of Work through co-financing ▪ Additional resources from Foundations ▪ Non–traditional fundraising opportunities and innovative financing initiatives	▪ Consolidate IFAD country presence in Gulf region ▪ Consolidate political will for a supportive environment for IFAD10 ▪ External replenishment session in Gulf region ▪ Secure additional resources for Programme of Work through co-financing	**ARAB AND GULF STATES LIAISON OFFICE (AGL)** **Zero Based Budget - $ mn** <table><tr><td></td><td>2011</td><td>2012 Projection</td><td>2013 Estimate</td></tr><tr><td>Cluster 2</td><td>0.5</td><td>0.5</td><td>0.6</td></tr><tr><td>Cluster 4</td><td>0.2</td><td>0.2</td><td>0.3</td></tr></table> **Strategic Work Plan (Staff – Fixed Term Equivalent) *** <table><tr><td>Professional Staff</td><td>2.0</td><td>2.0</td><td>2.0</td></tr><tr><td>General Service Staff</td><td>2.0</td><td>2.0</td><td>2.0</td></tr><tr><td>Consultants</td><td>-</td><td>1.0</td><td>1.0</td></tr></table>	**Risks:** ▪ Political instability and uncertainties ▪ Oil price volatility ▪ Regional security concerns and expenditures ▪ Place and role of OPEC in IFAD ▪ Gulf countries' policies unsupportive of increased ODA ▪ IFAD governance **Assumptions:** ▪ Increased awareness and political will ▪ Improved resource mobilization ▪ Full mobilization of replenishment resources for commitment authority ▪ Strategic outreach and public diplomacy for establishing IFAD's credibility and strengthening partnership ▪ Country engagement strengthened ▪ Expanded co-financing supported with PMD support ▪ Results-focused dialogue with Arab IFIs ▪ Coordination and follow up on approval and implementation of co-financing arrangements ▪ International policy engagement high priority for leveraging greater impact
NORTH AMERICA LIAISON OFFICE (NAL) ● Reliable and strategic representation and feedback from processes and institutions in North America ● Robust resource mobilization and strong partnerships and collaboration with North American member states and other actors ● International policy environment favourable to the interests of rural poor people	● 60 favorable responses from IFAD headquarters for representation in North America; ● Year-end survey ● % effective implementation of annual outreach and engagement strategy for US and Canada ● % completion of strategy for brokering partnership and collaboration in North America ● 5 IFAD/North American collaborations supported by grants ● 25 outreach and knowledge sharing activities	● IFAD representation in events ● Information despatches to IFAD ● Strategic support for replenishment ● Partnership strategy (with Programme Management Department) ● Despatches to contacts in North America ● Policy engagement strategies ● Knowledge exchange in United States and Canada ● Outreach to World Bank Group and International Monetary Fund	● IFAD representation in events ● Information despatches to IFAD ● Strategic approach to brokering partnership and collaboration ● Outreach to expand support in North America, including media ● Despatches to contacts in North America ● Policy engagement capacity ● Capacity strengthening measures ● Opportunities for knowledge exchange in United States and Canada ● Outreach to World Bank Group and International Monetary Fund	● IFAD representation in events ● Information despatches to IFAD ● Strategic approach to brokering partnership and collaboration ● Outreach and preparation for IFAD10 strategy ● Media outreach in North America ● Despatches to contacts in North America ● Monitoring and assessment of policy engagements ● Knowledge exchange in United States and Canada ● Outreach to World Bank Group and International Monetary Fund	**NORTH AMERICA LIAISON OFFICE (NAL)** **Zero-Based Budget - $ mn** <table><tr><td></td><td>2011</td><td>2012 Projection</td><td>2013 Estimate</td></tr><tr><td>Cluster 1</td><td>0.2</td><td>0.2</td><td>0.2</td></tr><tr><td>Cluster 2</td><td>0.5</td><td>0.5</td><td>0.5</td></tr><tr><td>Cluster 3</td><td>0.3</td><td>0.3</td><td>0.3</td></tr></table> **Strategic Work Plan (Staff - Fixed Term Equivalent)** <table><tr><td>Professional Staff</td><td>3</td><td>3</td><td>3</td></tr><tr><td>General Service Staff</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Consultants</td><td>-</td><td>-</td><td>-</td></tr></table> Cluster 1 – Country programme development and implementation Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication Cluster 3 – Corporate management, reform and administration Cluster 4 – Support to Members' governance activities	**Risks:** ● Requests for representation exceed capacity; ● Effectiveness of representation affected by lack of adequate background preparation ● Political climate in North America undermines support for food security activities and IFAD ● Institutional systems and mechanisms are not adequate for brokering collaboration with North American actors ● Grant resources not available for NAL-identified proposals ● Inter-divisional collaboration procedures on international policy engagement not well established ● IFAD lacks supporting knowledge and analysis to support its international policy engagement **Assumptions:** ● Greater focus on country/regional interests; ● Increase in requests for representation at UN and World Bank ● North American development partners are high value for IFAD ● International policy engagement high priority for leveraging greater impact ● Strategic outreach and knowledge sharing activities important for establishing IFAD's credibility and brand recognition

IFAD FINANCIAL MANAGEMENT OUTCOMES 2011-2013 – CLUSTER 3

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5) 2011	Work programme projections (Level 5) 2012	Work programme projections (Level 5) 2013	Resource inputs 2011-2013	Risks and assumptions
FINANCIAL SERVICES DIVISION (CFS) Supported by: - OPV - LEG • Robust financial management of regular and extra-budgetary funds.	▪ Robust financial management of regular and extra-budgetary funds ▪ Unqualified audit opinion on all public financial statements issued by IFAD (IFAD and hosted entities) ▪ Unqualified audit attestation to management assertion on the effectiveness of controls over financial reporting (2012) ▪ Error-free processing of receipt and payment transactions (approximately 4,000 in 2010, 4,500 in 2011, 5,000 in 2012) ▪ Timely processing of receipt and payment transactions (to less than 3 days average processing time by 2012) ▪ Business case of PeopleSoft Functional Upgrade by early 2011 – implementation by end 2011. ▪ Introduction of improved lending terms (2010) and new financial products (2011, 2012) ▪ Timely and effective debt servicing and pro-active loan and grant closure actions Streamlined disbursement processing model based on matrix reporting (2010 pilots launched, 2011 fully operational)	▪ Review of ACA policy ▪ Financial management decentralization to ICOs[38] ▪ PeopleSoft financials platform upgraded ▪ Comprehensive medium-term corporate financial resource management strategy ▪ Management's assertion on internal controls over financial reporting (fine tuning and testing) ▪ Revised lending policies and criteria and introduction of new lending terms ▪ Issuance of new Audit Guidelines for projects ▪ Issuance of new Loans and Grants Manual ▪ Financial management assessments of national systems ▪ Streamline CFS functions and operations	▪ Implementation of management assertion on internal controls over financial reporting (2011 accounts) ▪ Support to new MICS[39] strategy ▪ Go Live of new Loans and Grants system. ▪ Revision of financial regulations ▪ Plan for financial management assessments of national structures drafted ▪ Implementation of IFAD 9 strategic decisions regarding finance ▪ Support country presence ▪ Monitoring of the audit guidelines	▪ Implementation of first Internal Control Framework audit attestation on 2012 financial statements ▪ Implementation of changes to financing modalities as requested by / agreed to by IFAD9. ▪ Post implementation of the new loans and grants system ▪ Plan for financial management assessments of national structures implemented ▪ Monitoring of the loans and grants system	**FINANCIAL SERVICES DIVISION (CFS)** (see sub-table below) **TREASURY DIVISION (TRE)** (see sub-table below)	**Risks:** ▪ Adverse market conditions hinder possibility of positive return on investments ▪ Operating risk in internal management due to lack of staff ▪ Complex design and development requirements for new projects ▪ Significant control weaknesses that may be identified during testing of controls **Assumptions:** ▪ Improved resource mobilization and financial management - Corporate support to improved financial mobilization and management - Coordinated and efficient revision of corporate financial approach/structure - A more systematic, streamlined approach to financial risk management - More emphasis on quality of results
TREASURY DIVISION (TRE) Supported by: - OPV - LEG - CFS • Robust financial management of regular and extra-budgetary funds.	▪ Principal on investments is protected, liquidity is ensured, and rate of return is matched with benchmarks ▪ Increase funds under internal management ▪ Enhance risk management and compliance ▪ Support replenishment consultation and other resource mobilization activities ▪ Support country presence through opening of local banking operations where required ▪ Implementation of PeopleSoft functional upgrade as per project plan and timeline ▪ Sufficient cash available for disbursements ▪ Correct execution and processing of all cash flows *Verification*: IFAD financial model; Executive Board documents; FISCO[40] and FALCO[41] documents; *Annual Report*	▪ Implementation of the revised investment policy and minimum liquidity requirement ▪ Comprehensive medium-term corporate financial resource management strategy ▪ Prudent investment of resources mobilised from external sources ▪ Support the IFAD9 consultation and resource mobilization ▪ Structured financial management training for IFAD staff ▪ Harmonization of UN Treasury functions ▪ Common cash management in the field ▪ Monitoring Debt Sustainability Framework (DSF) ▪ Management of supplementary funds ▪ Analysis of single currency lending option ▪ Strengthen Asset and Liabilities Management System	▪ Prudent investment of resources mobilised from external sources ▪ Implementation of the revised investment policy ▪ Review of the organizational structure of TRE ▪ Increase internal funds under management ▪ Revised IFAD financial modelling to support IFAD9 consultation and resource mobilization strategies ▪ Harmonization of UN Treasury functions ▪ Monitoring Debt Sustainability Framework (DSF) ▪ Management of supplementary funds ▪ Analysis of single currency lending option ▪ Strengthen Asset and Liabilities Management System	▪ Monitoring of the Investment policy and suggested changes if required ▪ Prudent investment of resources mobilised from external sources ▪ Implementation of the revised investment policy ▪ Enhanced risk management and compliance ▪ Enhancement of modelling based on single currency policy ▪ Harmonization of UN Treasury functions ▪ Monitoring Debt Sustainability Framework (DSF) ▪ Management of supplementary funds ▪ Analysis of single currency lending option ▪ Strengthen Asset and Liabilities Management System	**BUDGET UNIT (BUD)** (see sub-table below) **FINANCIAL OPERATIONS DEPARTMENT – Front Office (FOD)** (see sub-table below)	▪ Improved risk management - Increased awareness and adoption by management and staff of enterprise risk management principles and practices in their daily tasks - Continuous mainstreaming of enterprise risk management, including an effective communications system ▪ Improved administrative efficiency - Streamlining and increased efficiency of FALCO/FISCO activities - Strengthened operational tools - Adoption of direct supervision and new supervision procedures - New loan and grant system operational by end of 2011, including accessibility to borrowers
BUDGET UNIT (BUD) Supported by: - CSD - FOD - SKM 3-year rolling administrative plan and integrated zero- and results-based budgeting approach	▪ Preparation of financial aspect s of 3-year rolling administrative plan and integrated budget prepared using zero-based and results-based budgeting approach. ▪ Annual budget utilization is maximised via the dynamic re-allocation of resources across departments to achieve stated results.	▪ Zero-based budget ▪ Allocation of approved budgets to decentralized budget holders ▪ Monitor and report on actual budget utilization ▪ Effective and efficient budget management systems and process.	▪ Rolling Zero-based budget within new Draft Strategic Framework ▪ Allocation of approved budgets to decentralized budget holders ▪ Monitor and report on actual budget ▪ Effective and efficient budget management systems and process.	▪ Rolling zero-based budget within new Draft Strategic Framework ▪ Allocation of approved budgets to decentralized budget holders ▪ Monitor and report on actual budget ▪ Solutions oriented analysis.	Cluster 1 – Country programme development and implementation Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication Cluster 3 – Corporate management, reform and administration Cluster 4 – Support to Members' governance activities	

FINANCIAL SERVICES DIVISION (CFS)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1	2.4	2.6	2.8
Cluster 3	2.8	2.6	2.8
Strategic Work Plan (Staff – Fixed Term Equivalent)			
Professional Staff	15.0	15.0	17.0
General Service Staff	16.7	15.7	16.7
Consultants	1.0	1.0	2.0

TREASURY DIVISION (TRE)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1	0.2	0.2	0.3
Cluster 3	2.2	2.2	3.0
Strategic Work Plan (Staff – Fixed Term Equivalent)			
Professional Staff	8.0	8.0	8.0
General Service Staff	8.7	8.7	8.7
Consultants	2.0	2.0	3.0

BUDGET UNIT (BUD)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 1			
Cluster 3	0.8	0.8	0.8
Strategic Work Plan (Staff – Fixed Term Equivalent)			
Professional Staff	4	3	3
General Service Staff	0	1	1
Consultants	0.2	0.2	0.2

FINANCIAL OPERATIONS DEPARTMENT – Front Office (FOD)

	2011	2012 Projection	2013 Estimate
Zero Based Budget - $ mn			
Cluster 3	0.97	1.1	1.2
Strategic Work Plan (Staff – Fixed Term Equivalent)			
Professional Staff	2.0	2.0	
General Service Staff		1.0	1.0

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[38] ICOs: IFAD Country Offices
[39] MICS: Medical Insurance for Consultants and Short-Term Staff.
[40] FISCO: Investment and Finance Advisory Committee.
[41] FALCO: Investment, Finance and Asset Liability Management Advisory Committee.

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5) 2011	2012	2013	Resource inputs	Risks and assumptions
FINANCIAL OPERATIONS DEPARTMENT – Front Office (FOD) ▪ Strengthened financial management of resources	▪ Approved financial policies ▪ Framework for immediate and medium term collaboration with Rome Based Agencies	▪ Harmonize collaboration with Rome Based Agencies ▪ Chair Loans and Grants replacement system ▪ Support IFAD9 replenishment process ▪ Promulgation of an accountability framework	▪ Harmonize collaboration with Rome Based Agencies ▪ Go live on the new Loans and Grants replacement system	▪ Harmonize collaboration with Rome Based Agencies ▪ Implementation of the first Internal control framework		

IFAD ADMINISTRATIVE, HUMAN RESOURCES OUTCOMES 2011-2013 – CLUSTER 3

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5) — 2011	2012	2013	Resource inputs 2011-2013	Risks and assumptions
ADMINISTRATIVE SERVICES DIVISION (ADM) Improved administrative efficiency	▪ Evaluation of results of Client satisfaction survey and plan of action in response thereto ▪ Implementation of quarterly Procurement Planning in cooperation with requisitioning divisions ▪ Submission of sustainable Procurement Policy for the Common Procurement Team of the Rome-based-Agencies for endorsement by Management ▪ Implementation of accepted audit recommendations within established deadlines ▪ Implementation of upgraded Electronic Records Management System ▪ "go live" of enhanced Xdesk on Country Office project ▪ Timely and efficient implementation of host country agreements and accreditation of staff ▪ Report on feasibility of constructing a permanent conference structure on IFAD premises ▪ Plan of action for greening of IFAD ▪ Finalisation of external parking ▪ Timely and efficient provision of facilities for GC *Verification:* Client survey; quality control reports; administrative procedures and manuals; statistics extracted from Footprint systems	▪ External parking paved ▪ Construction of round-about ▪ Refurbished meeting rooms ▪ Tender complete for corporate cards and petrol coupons ▪ Greening of building ▪ Timely and efficient visas, privileges immunities ▪ Logistics and facilities management ▪ Finalization of Host Country Agreements for IFAD Country Offices ▪ Support to IFAD Country Offices in relation to Privileges and Immunities ▪ Archives procedures ▪ Electronic Records Management ▪ Governing Council logistics and security ▪ Agency integration under Common Procurement Team pilot project (CPT Phase II) ▪ Client survey satisfaction	▪ Green IFAD facilities and business processes ▪ Timely and efficient processing of visa and related privileges and immunities of staff ▪ Logistics and facilities management both for office and conference needs ▪ Refurbishment and decoration of meeting rooms completed ▪ Coordination for the finalization of HCAs for IFAD Country Offices ▪ Support to IFAD Country Office in relation to Privileges and Immunities ▪ Electronic Archives ▪ GC meeting set-up, logistics and security ▪ Increased agency integration under Common Procurement Team pilot project (CPT Phase III) ▪ Analyse client satisfaction results and implement change	▪ Greening facilities and business processes ▪ Timely and efficient processing of visas and related privileges and immunities of staff ▪ Logistics and facilities management both for office and conference needs ▪ Coordination of the newly established HCAs for IFAD Country Offices ▪ Support to IFAD Country Offices in relation to Privileges and Immunities ▪ Electronic Archives management ▪ Governing Council logistics and security ▪ Implementation of the Common Procurement Team ▪ Review of business processes and implementation of changes to improve client satisfaction ▪ Identify further potential for common services with R3 agencies	See table below	**Risks:** ▪ Shifting implementation priorities ▪ Inadequate stakeholder participation ▪ Inadequate financial and staff resources ▪ Delayed decision on security strategy **Assumptions:** ▪ Adequate human and financial resources, including for capital expenditures ▪ Appropriate legal framework for administration

ADMINISTRATIVE SERVICES DIVISION (ADM)		2012	2013
	2011	Projection	Estimate
Zero Based Budget - $ mn			
Cluster 3	11.8	12.2	12.5
Cluster 4	0.2	0.2	0.2
Strategic Work Plan (Staff – Fixed Term Equivalent)			
Professional Staff	9.0	10.0	13.0
General Service Staff	24.8	23.8	23.0
Consultants	1.8	1.8	2.0

Operational outputs	Measures of success and sources of verification	2011	2012	2013	Resource inputs	Risks and assumptions
HUMAN RESOURCES DIVISION (HRD) Supported by: CSD LEG BUD ▪ Improved HR management ▪ The Strategic Workforce Plan (SWP) for: (i) strategic workforce alignment to support country programming and implementation, (ii) strategic workforce management for increased efficiency and cost containment, and (iii) strengthening the corporate framework for managing the workforce for development effectiveness and efficiency ▪ Implement the SWP to establish HRD management objectives: staffing levels, skills mix, career structures, in alignment with corporate results	▪ Percentage of staff who have attended at least one in-house training course (year-to-date) ▪ Average time to fill professional vacancies (100 days) – baseline year 2009, value 119 days ▪ 25 recruitments concluded ▪ Progress in revamping performance management process (100%) ▪ Voluntary Separation Programme-Phase 2 ▪ 15 in-house corporate training courses organized ▪ 15 IFAD contracts issued to country/national staff ▪ Staff engagement index: 75% (baseline year 2008, value 68.4%, target 2012 75%) ▪ Implementation of automation of existing manual processes *Verification:* HRD management plans for 2010	▪ HR services to HQ and ICOs ▪ Prepare staff development strategy ▪ New HR procedures manual ▪ Implementation of capital projects to automate HR processes ▪ Standardization of job descriptions for HQ and ICO roles. ▪ Job Audit ▪ Participation in task force on compensation review ▪ Interpreters and translator's contractual arrangements. ▪ Review HRD structure. ▪ Review of Springboard and Break-Through programmes ▪ Induction for ICO staff	▪ HR services to headquarters and ICO staff ▪ Staff development strategy ▪ Development and design of a learning management system ▪ Training for ICO staff ▪ Study on policies development ▪ Implementation of capital budget projects to computerize HR processes ▪ Participation in task force on compensation review ▪ Consultant's compensation	▪ HR services to HQ and IFAD Country Office staff ▪ Study on HR policies. ▪ Compensation review ▪ Finalize implementation of capital budget projects to computerize HR processes	See table below	**Risks:** ▪ Voluntary Separation Programme-Phase 2 does not generate expected results ▪ Lack of automation of HR processes leads to financial and reputation risks. ▪ Non-appointment of Policy and Compensation Officer may jeopardize compensation review **Assumptions:** ▪ Effective strategic workforce planning, recruitment and management, including performance management ▪ Lack of service and host country agreements for IFAD Country Offices ▪ Country presence strategy ▪ Staff rules and benefits attract qualified candidates ▪ Appoint Policy and Compensation officer.

HUMAN RESOURCES DIVISION (HRD)		2012	2013
	2011	Projection	Estimate
Zero Based Budget - $ mn			
Cluster 1: $ mn	0.4	0.4	0.5
Cluster 2: $ mn	0.2	0.2	0.2
Cluster 3: $ mn	5.3	5.4	5.5
Strategic Work Plan (Staff – Fixed Term Equivalent)			
Professional Staff	14.0	16.0	17.0
General Service Staff	10.0	8.0	8.0
Consultants	0.8	1.0	5.0

Cluster 1 – Country programme development and implementation
Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication
Cluster 3 – Corporate management, reform and administration
Cluster 4 – Support to Members' governance activities

IFAD INFORMATION AND COMUNICATIONS TECHNOLOGY, SECURITY, AND CORPORATE SERVICES OUTCOMES 2011-2013 – CLUSTER 3

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2011-2013	Risks and assumptions
		2011	2012	2013		
INFORMATION AND COMMUNICATIONS TECHNOLOGY DIVISION (ICT) • **Create ICT Platforms for:** **Country Programme Management** **Human Resources Management** **Financial Resources Management** Corporate Relationship Management Communications and Collaboration Information/Knowledge Management Business Continuity	▪ Client surveys ▪ Application and Infrastructure systems uptime (>99%) ▪ Corporate systems accessible from IFAD Country Offices (>90%) ▪ Capital budget projects delivered on schedule (>75%) ▪ Additional financial and staffing resources for large and small projects ▪ Information and transactional systems at IFAD Country Offices ▪ System support for strategic workforce planning and staff profile management deployed at HQ and IFAD Country Offices ▪ Financial platform upgraded ▪ Interactive platform for Member ▪ Email and documents management system upgraded ▪ Document production process tracking ▪ 2013 Target: Corporate applications hosted off-premises by a specialized ICT service provider; 24x7 availability of disaster recovery facilities. **Verification:** ICT strategy; ICT applications portfolio; Information Technology Governance Committee quarterly status reports	▪ ICT infrastructure for new loan and grant system ▪ PeopleSoft financials and HR platforms enhanced and migrated to UN International Computing Centre ▪ Web content management system for Intranet/Internet ▪ ICT communication and collaboration platforms upgraded for IFAD Country Offices ▪ New ICT platform for corporate relationship management ▪ Grants/milestone management tool ▪ ICT support for regional knowledge networks ▪ Digital signature implemented ▪ Desktop virtualization pilot for IFAD Country Offices	▪ Automation of HR processes ▪ Automated E-Recruitment ▪ HRD Operations Dashboards ▪ Hyperion Planning tool for scenario simulation ▪ Data Warehouse and consolidated corporate reporting ▪ Streamlined payroll ▪ Online tools for Projects and Programmes Management System ▪ Tools for Information management ▪ Virtual IFAD Country Office desktops	▪ E-Business financial platform deployed ▪ Business integration across functional platforms ▪ Data Warehouse expanded to support key corporate decision-making processes ▪ Completion of Hyperion Planning tool for strategic workforce planning ▪ Staff E-Performance, and E-Learning platforms integrated ▪ Leave management system replaced ▪ Contact Information Available On-Line replaced ▪ PeopleSoft financial platform integrated with loan and grant operations	<table><tr><td colspan="4">INFORMATION AND COMMUNICATIONS TECHNOLOGY DIVISION (ICT)</td></tr><tr><td></td><td>2011</td><td>2012 Projection</td><td>2013 Estimate</td></tr><tr><td colspan="4">Zero Based Budget - $ mn</td></tr><tr><td>Cluster 1</td><td>0.9</td><td>1.0</td><td>1.0</td></tr><tr><td>Cluster 3</td><td>7.2</td><td>7.4</td><td>7.4</td></tr><tr><td colspan="4">Strategic Work Plan (Staff – Fixed Term Equivalent)</td></tr><tr><td>Professional Staff</td><td>16.0</td><td>18.0</td><td>18.0</td></tr><tr><td>General Service Staff</td><td>13.0</td><td>10.0</td><td>10.0</td></tr><tr><td>Consultants</td><td>6.0</td><td>6.0</td><td>6.0</td></tr></table>	**Risks:** ▪ Shifting implementation priorities ▪ Excessive lead time required for procurement of manpower & other resources ▪ Inadequate stakeholder participation, particularly by business owners ▪ Ambitious big-bang implementation ▪ New, significant developments in technology **Assumptions:** ▪ Approval of Strategic Work Plan ▪ Approval of adequate ICT administrative budget ▪ Approval of adequate ICT capital budget ▪ Compliance with UN Department of Security and Safety prescribed security policies and criteria ▪ Timely approval of projects by local and national governments and collaboration of community ▪ Willingness of host government to continue supporting IFAD's operations, notwithstanding own fiscal constraints ▪ Ownership and appreciation of initiatives by Senior Management and relevant staff
SECURITY UNIT (SEU) • Enhance provision of security both in Headquarters and in the field	▪ Implementation of IFAD security strategy covering headquarters and field operations ▪ Increased services to IFAD Country Offices and safe IFAD operations **Verification:** Administrative procedures and manuals; statistics of activities and extracts from Footprint systems, UNDSS compliance reports	Implementation of IFAD security strategy, including: ▪ Strengthening of IFAD perimeter protection including mail and vehicles screening and a better control access to HQs ▪ Increased support to IFAD Country Offices ▪ Implementation of security training into the IFAD training calendar. , ▪ update fire and hazard prevention plans and develop awareness of fire and hazard security plans among staff, ▪ Badge readers phase 2 ▪ Full review of the security unit.	Implementation of IFAD security strategy, including: • Continued support to IFAD Country Offices and IFAD operations • Continue mainstreaming security training in IFAD corporate training programmes • Continued cooperation with other UN agencies on security • Additional guards at HQ	Implementation of IFAD security strategy, including: • Continued support to IFAD Country Offices and IFAD operations • Mainstream security training in IFAD corporate training programmes • Continued cooperation with other UN agencies on security	<table><tr><td colspan="4">SECURITY UNIT (SEU)</td></tr><tr><td></td><td>2011</td><td>2012 Projection</td><td>2013 Estimate</td></tr><tr><td colspan="4">Zero Based Budget - $ mn</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td>Cluster 3</td><td>0.10</td><td>1.74</td><td>1.80</td></tr><tr><td>Cluster 4</td><td>0.04</td><td>0.04</td><td>0.04</td></tr><tr><td colspan="4">Strategic Work Plan (Staff – Fixed Term Equivalent)</td></tr><tr><td>Professional Staff</td><td>2.0</td><td>3.0</td><td>3.0</td></tr><tr><td>General Service Staff</td><td>7.0</td><td>7.0</td><td>7.0</td></tr><tr><td>Consultants</td><td>0.2</td><td>0.2</td><td>0.4</td></tr></table>	**Risks:** ▪ Delayed decision on the implementation of specific actions in the security strategy ▪ Threats to security at Headquarters and ICOs **Assumptions:** ▪ General security environment remains unchanged in HQ location and in other duty stations ▪ Sufficient financial and managerial resources to ensure compliance with UN Department of Security and Safety prescribed security policies and criteria ▪ Coordination among IFAD's departments on security in ICOs ▪ Full implementation of Business Continuity Plan
CORPORATE SERVICES DIVISION – Front Office (CSD) • Enhance corporate services to all IFAD departments	▪ IFAD Country Office Handbook ▪ Business Continuity policy and strategy ▪ Established of crisis management and response teams ▪ Closure of outstanding CSD audit recommendations **Verification:** ▪ IFAD business continuity plan; ERMC[42] reports; security risk assessment reports ▪ Closure of outstanding audit recommendations	▪ Completion of the IFAD Country Office handbook ▪ Business Continuity plans for critical areas ▪ Engagement with UN-High Level Committee for Management ▪ Collaboration with Rome Based Agencies on corporate services	▪ Functional business continuity strategies and plans in place ▪ Business Continuity impact analysis ▪ Corporate ICT systems hosted at UNICC, with built-in disaster recovery agreements ▪ Engagement with UN-High Level Committee on Management ▪ Collaboration with Rome Based Agencies on corporate services	▪ Training of Business Continuity focal points ▪ Continued engagement with UN-High Level Committee on Management ▪ Collaboration with Rome Based Agencies on corporate services	<table><tr><td colspan="4">CORPORATE SERVICES DEPARTMENT – Front Office (CSD)</td></tr><tr><td></td><td>2011</td><td>2012 Projection</td><td>2013 Estimate</td></tr><tr><td colspan="4">Zero Based Budget - $ mn</td></tr><tr><td>Cluster 3</td><td>0.6</td><td>0.6</td><td>0.6</td></tr><tr><td colspan="4">Strategic Work Plan (Staff – Fixed Term Equivalent)</td></tr><tr><td>Professional Staff</td><td>2.0</td><td>2.0</td><td>2.0</td></tr><tr><td>General Service Staff</td><td>1.0</td><td>1.0</td><td>1.0</td></tr></table> Cluster 1 – Country programme development and implementation Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication Cluster 3 – Corporate management, reform and administration Cluster 4 – Support to Members' governance activities	**Risks:** ▪ Insufficient funding for Business Continuity plan initiatives ▪ Operating risk due to lack of staff ▪ Lack of adequate resources to implement projects **Assumptions:** ▪ Badge reader installation aligned with European safety standards agreed with landlord. ▪ Awareness and commitment to the Business Continuity plan ▪ Ownership and appreciation of initiatives by relevant staff ▪ Adequate resources

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[42] ERMC: Enterprise Risk Management Committee.

IFAD ENTERPRISE RISK MANAGEMENT, AND GOVERNANCE OUTCOMES 2011-2013 – CLUSTERS 3 AND 4

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2011-2013	Risks and assumptions
		2011	**2012**	**2013**		
ENTERPRISE RISK MANAGEMENT (ERM) Supported by: - OPV Improved enterprise risk management mainstreamed	▪ Key corporate, departmental and divisional objectives/risks monitored and mitigated ▪ Percentage of high-priority internal audit recommendations overdue **Verification:** AUO audit reports; AUO annual report; annual ERM report; quarterly conversations on performance and results	▪ Implementation of audit recommendations ▪ Annual ERM reports ▪ RIDE ▪ Business Continuity testing	▪ Implementation of audit recommendations ▪ Annual ERM reports ▪ RIDE	▪ Implementation of audit recommendations ▪ Annual ERM reports ▪ RIDE	**ENTERPRISE RISK MANAGEMENT (ERM)** |	**2011**	**2012 Projection**	**2013 Estimate** | **Zero Based Budget - $ mn** Cluster 3 | 0.1 | 0.1 | 0.1 **Strategic Work Plan (Staff – Fixed Term Equivalent) *** Professional Staff | 0.5 | 0.5 | 0.5 General Service Staff | 0.5 | 0.5 | 0.5 Consultants | - | - | -	**Risks:** ▪ Management action on mitigation ▪ Inadequate mitigation on risks **Assumptions:** ▪ AUO risk-based annual workplan focuses IFAD on key risk mitigation to prevent risks from eventuating ▪ Management practices risk management in daily activities ▪ Executive Board and its committees assign high value to risk management strategies ▪ Enterprise risks eventuate due to external influences
LEGAL COUNSEL DIVISION (LEG) ● Legal compliance of policies, programmes and projects ● Appropriate legal framework for IFAD policies and programmes	▪ Number of loan agreements and other project-related legal documents drafted and negotiated (including grants) ▪ Number of host country agreements ▪ Policies adopted by Governing Bodies ▪ Staff Rules adopted	▪ Loan and grant agreements including GEF and Supplementary Funds ▪ Support implementation / supervision of projects ▪ Host country Agreements ▪ Advise on policies (Partnership, private sector, country presence, lending policy and criteria, investment, Middle Income Country Strategy, evaluation) ▪ Audit Guidelines, Loan and Grant Manual, country presence handbook ▪ Staff rules-training and implementation support ▪ Revise HR procedures ▪ Support HR country presence ▪ Support IFAD9 Resolution ▪ Support Treasury Division, including harmonisation project ▪ Support resource mobilization (trust funds, partnerships) ▪ Support internal bodies (Sanctions Committee, Governing Bodies)	▪ Loan and grant agreements including GEF and Supplementary Funds ▪ Support implementation / supervision of projects ▪ Host country Agreements ▪ Advise on policies (Partnership, private sector, country presence, lending policy and criteria, investment, Middle Income Country Strategy, evaluation) ▪ Audit Guidelines, Loan and Grant Manual, country presence handbook ▪ Staff rules-training and implementation support ▪ Revise HR procedures ▪ Support HR country presence ▪ Support IFAD9 Resolution ▪ Support Treasury Division, including harmonisation project ▪ Support resource mobilization (trust funds, partnerships) ▪ Support internal bodies (Sanctions Committee, Governing Bodies)	▪ Loan and grant agreements including GEF and Supplementary Funds ▪ Support implementation / supervision of projects ▪ Host country Agreements ▪ Advise on policies (Partnership, private sector, country presence, lending policy and criteria, investment, Middle Income Country Strategy, evaluation) ▪ Audit Guidelines, Loan and Grant Manual, country presence handbook ▪ Staff rules-training and implementation support ▪ Revise HR procedures ▪ Support HR country presence ▪ Support IFAD9 Resolution ▪ Support Treasury Division, including harmonisation project ▪ Support resource mobilization (trust funds, partnerships) ▪ Support internal bodies (Sanctions Committee, Governing Bodies)	**LEGAL COUNSEL (LEG)** |	**2011**	**2012 Projection**	**2013 Estimate** | **Zero Based Budget - $ mn** Cluster 1 | 1.2 | 1.4 | 1.5 Cluster 2 | 0.7 | 0.8 | 0.9 Cluster 3 | 0.5 | 0.6 | 0.6 Cluster 4 | 0.3 | 0.3 | 0.3 **Strategic Work Plan (Staff – Fixed Term Equivalent) *** Professional Staff | 11.0 | 13.0 | 13.0 General Service Staff | 6.8 | 6.0 | 6.0 Consultants | 1.0 | 1.0 | 0.0	**Risks:** ▪ Political situation affects loan or grant **Assumptions:** ▪ Country demand for IFAD financing corresponds to planned loans and grants ▪ Adequate human resources

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2011-2013	Risks and assumptions
		2011	**2012**	**2013**		
INTERNAL AUDIT AND OVERSIGHT DIVISION (AUO) • Timely and relevant information to manage risk adequately and successful implementation of IFAD's anti-corruption policy.	• Key corporate risks identified and monitored • Annual public report on investigations • Timely and highly relevant audit reports • Feedback obtained on project procurement, grant financial management and anti-corruption activities as key outputs of the country programme audits • All allegations received reviewed within target 15 days • Timely performance of investigations • Risk-based annual workplan successfully identified and focuses on areas of key risks for the organization • Timely and effective servicing of the Sanctions Committee *Verification:* Audit committee reporting and oversight External quality assessment Client survey/feedback	▪ At least 80% completion of rolling annual work plan plus additional requests from Management ▪ Feedback to requests for advice and consultations ▪ Increase by 5-10% allegations handled ▪ Anti-corruption outreach activities on target ▪ Investigation function needs assessed and strengthened	▪ At least 80% completion of rolling annual work plan plus additional requests from Management ▪ Increased country programme audit work ▪ Feedback to requests for advice and consultations ▪ Increase by 5-10% allegations handled ▪ Anti-corruption outreach activities ▪ External Quality Assessment (EQA)	▪ At least 80% completion of rolling annual work plan plus additional requests from Management ▪ Continued expansion of country programme and country office audit work ▪ Feedback to requests for advice and consultations ▪ Increase by 5-10% allegations handled ▪ Anti-corruption outreach activities ▪ Implementation of EQA recommendations	(see table below)	

INTERNAL AUDIT AND OVERSIGHT DIVISION (AUO)

	2011	2012 Projection	2013 Estimate
Zero-Based Budget - $ mn			
Cluster 1	0.5	0.7	0.8
Cluster 3	1.1	1.4	1.5
Strategic Work Plan (Staff - Fixed Term Equivalent)			
Professional Staff	5.0	6.0	6.0
General Service Staff	3.0	3.0	3.0
Consultants	-	-	-

Cluster 1 – Country programme development and implementation
Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication
Cluster 3 – Corporate management, reform and administration
Cluster 4 – Support to Members' governance activities

IFAD ENTERPRISE RISK MANAGEMENT, AND GOVERNANCE OUTCOMES 2011-2013 – CLUSTERS 3 AND 4 (CONT'D)

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2011-2013	Risks and assumptions
		2011	**2012**	**2013**		
ETHICS OFFICE (ETH) • Ensure corporate ethical culture	• Successful prevention and management of misconduct • Increased trust and confidence in Senior Management • Increased employee commitment to IFAD's mandate • Timely advice and guidance provided to managers and staff *Verification:* • Comprehensive anti-harassment and ethics communication plan implemented • Feedback on training initiatives • Improvement on 2012 Global Staff Survey results pertaining to Diversity/Values	▪ Establish an Ethics Office ▪ Advise staff on actions that constitute violations of the Code of Conduct and Core Values ▪ Training on Code of Conduct ▪ Annual Code of Conduct Certification by staff ▪ Launch anti-harassment awareness and Code of Conduct training ▪ Review allegations of misconduct/ harassment ▪ Develop protocol and guidelines on allegations of harassment and misconduct ▪ Review Financial Disclosure programme ▪ Induction programmes in HQ and in the field	▪ Implement Financial Disclosure programme for reporting period 2011 ▪ Advise staff on actions that constitute violations of the Code of Conduct and Core Values ▪ Assist in prevention of misconduct or effectively address it ▪ Organizational and individual objectives for ethics and compliance in the Performance Evaluation System. ▪ Review allegations of misconduct/ harassment ▪ Training on Code of Conduct ▪ Annual Code of Conduct Certification by staff ▪ Induction programmes in HQ and in the field	▪ Implement Financial Disclosure programme for reporting period 2012 ▪ Advise staff on actions that constitute violations of the Code of Conduct and Core Values ▪ Assist in prevention of misconduct or effectively address it ▪ Review allegations of misconduct/ harassment ▪ Training on Code of Conduct ▪ Annual Code of Conduct certification by staff ▪ Induction programmes in HQ and in the field	**ETHICS OFFICE (ETH)** |	2011	2012 Projection	2013 Estimate
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Zero-Based Budget - $ mn			
Cluster 1	0.1	0.1	0.1
Cluster 3	0.3	0.3	0.3
Strategic Work Plan (Staff - Fixed Term Equivalent)			
Professional Staff	1.0	1.0	1.0
General Service Staff	1.0	1.0	1.0
Consultants	-	-	-		**Risks:** • Low staff morale • Negative impact on effectiveness, image and reputation of the Organization **Assumptions:** • Adequate staffing and administrative budget • Senior Management support • Cooperation of staff
OFFICE OF THE SECRETARY (SEC) ▪ Support to Members' governance activities	▪ Smooth functioning of governing body deliberating process ▪ Increased engagement by IFAD membership with IFAD's activities *verification:* ▪ Percentage of governing body documents submitted on time to SEC in accordance with procedures ▪ No. of words edited and translated ▪ No. of hours interpreted ▪ Percentage of governing body documents dispatched to governing bodies on time ▪ SEC client survey	▪ 1 Governing Council session ▪ 3 Executive Board sessions ▪ 6 Audit Committee meetings ▪ 6 Evaluation Committee sessions ▪ 3 PBAS meetings ▪ 4 Replenishment Consultation sessions ▪ 3 Emolument Committee meetings ▪ 7 Convenors and Friends meetings ▪ 1 Executive Board field visit	▪ 1 Governing Council session ▪ 3 Executive Board sessions ▪ 6 Audit Committee meetings ▪ 5 Evaluation Committee sessions ▪ 3 PBAS meetings ▪ 5 Convenors and Friends meetings ▪ 3 Emoluments Committee meetings ▪ 1 Executive Board field visit	▪ 1 Governing Council session ▪ 3 Executive Board sessions ▪ 6 Audit Committee meetings ▪ 5 Evaluation Committee sessions ▪ 3 PBAS meetings ▪ 5 Convenors and Friends meetings ▪ 1 Executive Board field visit	**OFFICE OF THE SECRETARY (SEC)** |	2011	2012 Projection	2013 Estimate
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Zero Based Budget - $ mn			
Cluster 4	8.4	8.4	8.4
Strategic Work Plan (Staff – Fixed Term Equivalent) *			
Professional Staff	17.2	20.0	20.0
General Service Staff	24.5	21.5	21.5
Consultants (*)	6.8	6.8	6.8
Short-term GS staff)	10.0	10.0	10.0	 Cluster 1 – Country programme development and implementation Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication Cluster 3 – Corporate management, reform and administration Cluster 4 – Support to Members' governance activities	**Assumptions:** ▪ Adherence to timely submission of governing body documents in accordance with established rules and procedures ▪ ICT-based integrated corporate management system in place ▪ Documents edited and translated and interpretation needs fully identified ▪ Web-based interactive platform for Member State representatives in place ▪ Full Executive Board awareness of governance costs