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Update on the implementation of the Change and Reform Agenda

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Contents

Abbreviations and acronyms

CFO	Chief Finance Officer
EMC	Executive Management Committee
FOD	Financial Operations Department
HR	human resources
ICO	IFAD country office
ICSC	International Civil Service Commission
IFAD8	Eighth Replenishment Consultation
IFI	international financial institution
IOE	IFAD Office of Evaluation
OMC	Operations Management Committee
SWP	Strategic Workforce Planning

Executive summary

1. Since commencement of the Consultation on the Eighth Replenishment of IFAD's Resources in 2010, IFAD has faced a changed situation. Its programme of work has doubled, adding momentum to the implementation of its new operating model. At the same time, the global food security crisis, triggered by the price hikes of 2007-2008, has made clear to the development community the urgent need to redress the chronic and long-standing underinvestment in agriculture. These changes have placed a renewed focus on the unique role that IFAD plays as a United Nations international financial institution (IFI) and as the only IFI focused specifically on agricultural development.

2. These changes have also made it essential for IFAD to review how it does business. The Fund has accordingly commissioned a number of external reviews, including on its human resources management (with a focus on compensation), its financial operations, the IFAD Investment Policy, and most recently, on its ICT services. In December 2009, IFAD launched the Change and Reform Agenda in order to build an effective and efficient organizational platform that would support the Fund in delivering on its mandated objectives and agreed results. Guided by the external reviews, the agenda was organized under five mutually reinforcing pillars: (i) strengthening management capacity and streamlining decision-making processes; (ii) deepening the human resources reforms initiated under the Seventh Replenishment Consultation; (iii) strengthening financial management; (iv) increasing transparency and accountability; and (v) introducing new resource allocation/planning instruments to align resources to strategic objectives and results.

3. IFAD's achievements in 2010-2011 in implementing the agenda are summarized in the following table. Implementation plans for 2011-2013 are listed in the logical framework contained in the annex to this document.

2010/2011 Achievements at a glance: Update on implementation of the Change and Reform Agenda

2010	*2011*

Pillar 1: Strengthening organizational capacity
- Abolished redundant External Affairs Department
- Created an Office of Strategy and Knowledge Management (SKM)
- Allocated ex-External Affairs policy functions to SKM and the Programme Management Department
- Strengthened Vice-Presidency
- Created a unified Office of the President and Vice-President

Pillar 2: Deepening human resources (HR) reforms
- Effected savings from streamlining of travel entitlements with comparator agencies
- Effected savings from removal of non-service-related insurance component for illness
- Fulfilled its Eighth Replenishment Consultation (IFAD8) commitment: External review of IFAD's compensation structure
- Completed the first cohort of the Voluntary Separation Programme
- Completed Early Retirement Programme: Phase 1
- Made operational HR dashboard applications
- Established Annual Staff Rewards
- Redefined job families to streamline job comparability and create career streams
- Reviewed and improved Performance Enhancement System (PES) with an enhanced 360-degree feedback system
- Strengthened and streamlined recruitment process

Pillar 3: Strengthening financial services - achievements
- Commissioned external review of IFAD's financial operations
- Commissioned external review of IFAD's Loans and Grants System
- Commissioned external review of IFAD's Liquidity and Investment Policy
- Established Financial Operations Department (FOD)

Pillar 4: Transparency and accountability - achievements
- Established inclusive decision-making arrangements: Operations Management Committee; Executive Management Committee and IFAD Management Team
- Approved new Disclosure Policy
- Ensured certification of Code of Conduct by staff
- Adopted First Medium-term Plan 2010-2012
- Revised Internal Audit and Oversight Charter

Pillar 5: Alignment of resources to objectives and results
- Prepared 2011 administrative budget using zero-based budgeting approach
- Launched Strategic Workforce Planning: Phase 1 - Inventory
- Revised Procurement Guidelines
- Implemented Project Management Dashboard
- Established 29 IFAD country offices (ICOs)
- Established ICO staff under IFAD contracts

Pillar 1: Strengthening organizational capacity
- Consolidated financial operations in newly established FOD under the Chief Financial Officer
- Establish focused Corporate Services Department (CSD) led by Head, CSD
- Consolidate resource mobilization under a newly established Resource Mobilization and Partnership Office
- Complete recruitment for key management roles
- Commissioned external evaluation of ICT systems, adequacy of resourcing, and evaluated gaps

Pillar 2: Deepening HR Reforms
- Revised Staff Rules and Implementing Procedures effective May 2011
- New HR Procedures Manual, with implementation guidelines
- Agreed on Road Map on the Way Forward to address findings of external review on compensation
- Designed, approved and implemented Early Retirement Programme: Phase 2
- Revised fully automated Performance Enhancement Process
- Played a pioneering role: International Civil Service Commission changed General Service staff salary survey methodology
- Established task force for HR reforms
- Established interactive Web-based HR reform page
- Commenced job audit process of Professional and General Services staff and consultants

Pillar 3: Strengthening financial services
- Appointed the Chief Financial Officer
- Established the Budget Unit
- Commenced replacement of the Loans and Grants System: revised project organization
- Adopted revised Financial Procedures
- Undertook a review of IFAD's Investment Policy and Investment Policy Statement
- Established and implemented Enterprise Risk Management System

Pillar 4: Transparency and accountability
- Established Ethics Office
- Strengthened certification of Code of Conduct for Directors and Higher Levels
- Launched second Medium-term Plan 2011-2013
- Designed new accountability framework

Pillar 5: Alignment of resources to objectives and results
- Mid-term budget review and budget reallocation
- Launching strategic workforce planning: job audit
- IFAD Country Office Manual
- Business continuity framework
- Commenced business process review to identify opportunities for operational efficiencies and effectiveness

Update on the implementation of the Change and Reform Agenda

I. Introduction

1. This report presents progress made on implementing the Change and Reform Agenda, launched by IFAD Management in 2009 in order to build an effective and efficient institutional platform that would support IFAD in delivering on its operational and institutional commitments. The agenda consolidated IFAD's response to implementing its commitments under the Consultation of the Eighth Replenishment of IFAD's Resources (IFAD8), particularly its expanded programme of loans and grants. The report also provides a map for implementing the Change and Reform Agenda in the form of a medium-term logical framework, which enables monitoring of the achievements under five agenda components (or "pillars") by goals and objectives, and targets.

2. Section II of the report presents the consolidated Change and Reform Agenda and will assist stakeholders in understanding the context, sequencing and interconnectedness of five change pillars. Section III discusses the achievements under the each pillar during 2010 and 2011. Section IV concludes the report, making reference to the medium-term logical framework that sets out the actions still to be completed under the agenda.

II. Point of departure: consolidating the Change and Reform Agenda to implement IFAD8 commitments

3. The Eighth Replenishment Consultation gave IFAD a resounding vote of confidence for the unambiguous and compelling role that it plays in agriculture and rural development. This role is defined in article 2 of the Agreement Establishing IFAD as follows:

    "The objective of the Fund shall be to mobilize additional resources to be made available on concessional terms for agricultural development in developing Member States. In fulfilling this objective the Fund shall provide financing primarily for projects and programmes specifically designed to introduce, expand or improve food production systems and to strengthen related policies and institutions within the framework of national priorities and strategies, taking into consideration: the need to increase food production in the poorest food deficit countries; the potential for increasing food production in other developing countries; and the importance of improving the nutritional level of the poorest populations in developing countries and the conditions of their lives."

4. To strengthen its capacity to operate as an international advocate for smallholder producers in developing countries, IFAD (i) has reviewed its business model; (ii) is realigning its resource use to meet the demands of an expanded programme of loans and grants without increasing its administrative budget; and (iii) has launched several initiatives that will enable it to become a more agile, effective and efficient institution, one that continues to be a valued and sought-after development partner that is respected for its expertise in its niche, rural poverty reduction.

5. To ensure rigour in its corporate review processes, IFAD has commissioned a number of external reviews and assessments, including on its HR management with a focus on compensation, its financial operations, the IFAD Investment Policy, gender, and most recently on IFAD's ICT services.

6. As shown in figure 1, the Change and Reform Agenda comprises complementary reform initiatives organized under five pillars, each consolidating knowledge

acquired in the reform process: (i) strengthening management capacity and streamlining decision-making processes; (ii) deepening the HR reforms initiated under IFAD7; (iii) strengthening financial management; (iv) increasing transparency and accountability; and (v) introducing new resource allocation/planning instruments to align resources to strategic objectives and results.

Figure 1
The pillars of the Change and Reform Agenda
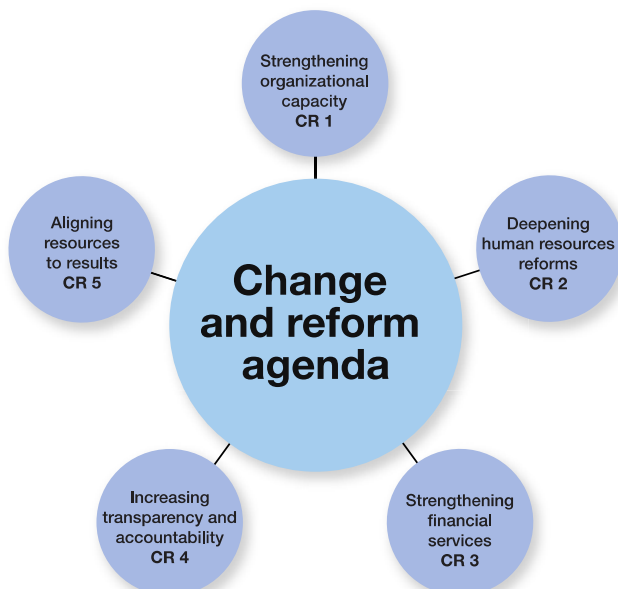
Pillar 1: Strengthening organizational capacity

7.   In 2010, Management embarked on a two-phased reconfiguration of the responsibilities of Senior Management with a goal of strengthening IFAD's overall managerial capacity. In 2011, under the second phase of the reconfiguration, IFAD established a new organizational structure, taking note of the findings of the External Review of IFAD's Financial Operations. Like the goals set in the first phase of the reconfiguration, the higher-level second-phase goals are meant to ensure that IFAD continues to be a results-based organization capable of achieving concrete results and stronger impact on the ground through the projects and programmes it finances.

Pillar 2: Deepening HR reforms

8.   When extending implementation of IFAD's Action Plan for Improving its Development Effectiveness, derived from the recommendations of the Independent External Evaluation of IFAD (2005), the Eighth Replenishment Consultation asked the Fund to consolidate its HR reforms and build an efficient and sustainable HR management system. In the medium term, realigning its human resources to support country operations is a paramount objective of IFAD's HR reform, as is ensuring control over the size, quality and value added of its workforce.

Pillar 3: Strengthening financial services

9.   As its programme of loans and grants increases, IFAD faces two key financial management challenges: first, ensuring that its internal resource management fully supports the increased programme of loans and grants, while safeguarding the organization's financial health; and second, ensuring that it has the capacity to mobilize and manage innovative resource mobilization instruments.

10. To respond to these challenges, Management commissioned an external review of the Fund's current financial management practices and capacities. This review made a number of important recommendations that are being implemented. Most prominently, it proposed the establishment of the Financial Operations Department to consolidate financial operations within one department, and of the Corporate Services Department to comprise the administrative functions of the Fund, with the overall twin purposes of:

   • Building a robust and professional financial operation complex; and

   • Streamlining IFAD's corporate services.

Pillar 4: Transparency and accountability

11. Management has established a strong corporate decision-making mechanism, which enables institution-wide engagement of all functions of the Fund in corporate and operational decisions. Inclusive decision-making has brought about considerable change, enhancing transparency and accountability, facilitating adoption of decisions, and, as Management foresaw, improving the quality of the decisions and directions taken.

12. Aware of the need to build a more transparent and strengthened accountability framework, Management initiated preparation of a target-oriented medium-term plan to assign accountability and further a culture of responsibility in a way that could be captured in workplans and in discussions of performance.

Pillar 5: Alignment of resources to objectives and results

13. The fifth pillar cuts across the agenda's other pillars and presents tools to achieve the broad Management goal of delivering on IFAD8 commitments with a minimal increase in administrative expenses. At the same time, Management is positioning the Fund for post 2015, the MDG end-point, when the rural sector and developing-country smallholder producers must be factored into the long-term sustainable food security agenda.

III. Change and Reform Agenda: achievements in 2010-2011

14. To ensure that the implementation of the initiatives under the five pillars of the Change and Reform Agenda benefited from the views of a broad stakeholder base, IFAD has initiated a consultation and communication programme that engages IFAD Management and staff, its governing bodies and peer organizations. The Fund has also established a task force to spearhead and drive the reform initiatives through an implementation plan and schedule with high priority placed on consultation and risk mitigation. The task force has launched an interactive HR webpage, where questions and comments regarding HR reforms can be vetted in a public forum. It frequently meets with the Executive Committee of the Staff Association and has established strong relationships with its peer organizations to dialogue on the change process. Throughout implementation of the agenda, the task force will make use of IFAD's existing decision-making structures, particularly its Executive Management Committee and its Operational Management Committee, to engage directors and staff of all divisions in the change process.

Pillar 1: Strengthening organizational capacity

15. The second phase of the reconfiguration of Senior Management responsibilities continued the efforts initiated in December 2009 to adjust responsibilities and change reporting arrangements to make the Fund a more efficient, effective and agile organization. This underlined Management's renewed engagement in implementing the commitments made to the Fund's governing bodies and set the stage for deepening the reform agenda, particularly in HR management, financial management, and the strategic planning and knowledge management functions.

The resulting new organigram of IFAD came into effect on 1 January 2011 and included the following changes:

- **Strengthening** the Office of the President and Vice-President by appointing a Vice-President with clear responsibilities and by unifying the Office under a shared Director.

- **Splitting** the former Finance and Administration Department into: a dedicated Financial Operations Department, headed by the Chief Finance Officer, to strengthen financial management, meet emerging financial challenges and develop the capacity to handle innovative financing; and a separate Corporate Services Department to spearhead HR reforms and ensure more effective leveraging of ICT, the backbone for the efficient operations of an organization.

- **Replacing** the former Policy and Strategic Planning Division and External Affairs Department by a dedicated Strategy and Knowledge Management Office, under the Chief Development Strategist, focused on strengthening IFAD's capacity for medium- to long-term strategy formulation and policy advocacy at the global level, developing IFAD's analytical capacity and promoting greater knowledge-sharing inside and outside the organization.

Figure 2
**2011 organigram of IFAD**
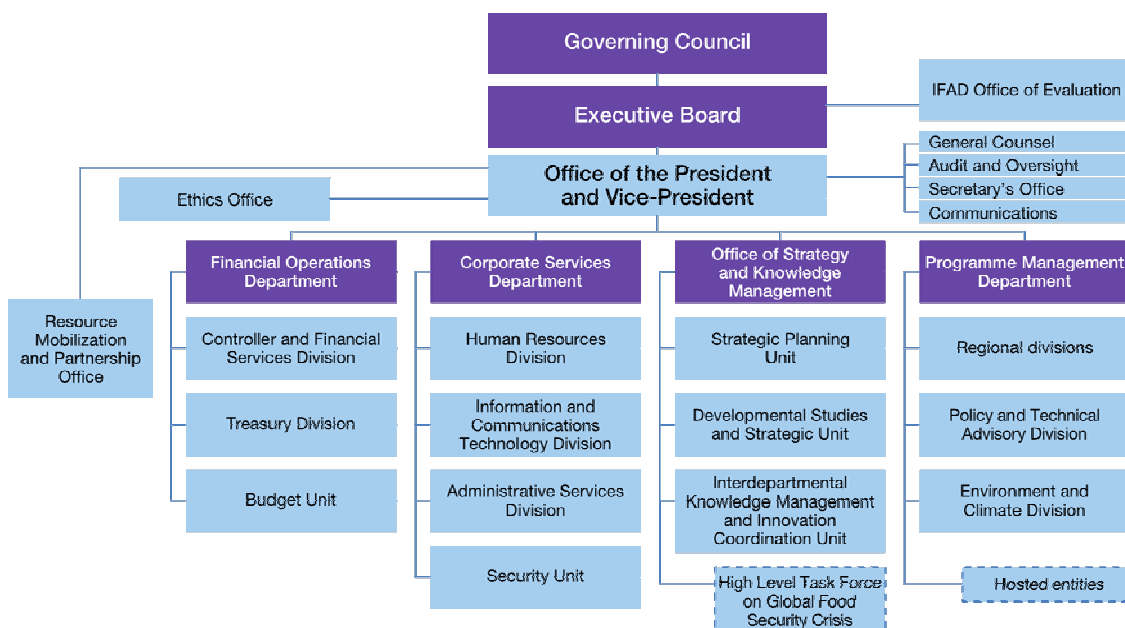
- **Strengthening** the Programme Management Department by creating an Environment and Climate Division; enhancing the capacity of the Policy and Technical Advisory Division, with a direct impact on programme quality; strengthening the programme implementation framework with an expanding country presence; and reducing overheads by reallocating resources formerly vested in the External Affairs Department in favour of leaner management at the corporate level.

- **Strengthening** the independence of the IFAD Office of Evaluation (IOE) in accordance with the findings of the Peer Review of IFAD's Office of Evaluation and Evaluation Function, which involves aligning the practices of IOE to the best practices of sister institutions and generating a valuable feedback system reinforcing IFAD's efforts as a learning institution.

- **Establishing** *a* new Ethics Office to contribute to an enduring ethical culture, champion the ethics compliance function, promote standards of integrity, design and manage IFAD's ethics and anti-harassment programme, safeguard IFAD's code of conduct and core values, and review and deal with allegations of misconduct and harassment.

16. Throughout 2011, these organizational changes will be deepened to: (i) strengthen IFAD's financial operations and instill more effective mitigation of risks and capture of opportunities, including a greater emphasis on efficiency; (ii) consolidate IFAD's financial reporting to ensure the timely provision of accurate financial information for Senior Management decisions; (iii) effectively use IT and automation, ensuring that the business processes and approval steps add value and assign accountability appropriately; (iv) maximize enterprise resource planning, including through system coordination and loans and grants management to support IFAD's operations (v) align administrative resources more precisely with the Fund's operational needs and results, as defined under the Fund's mandate and IFAD8 commitments; and (vi) strengthen guidance given to IFAD's country presence strategy, scale up initiatives, and review IFAD's Results Management Framework. The challenge for IFAD is to meet the growing demand for its programme of loans and grants while operating under the different financial constraints in the global economy and balancing increased efficiency with the additional resources required.

17. The new offices established as part of the second phase of the reconfiguration were funded by the benefits that resulted from the redesignation of existing management positions and the savings that emerged from the reform process, which clustered operations more tightly with their strategic mandates. The limited total incremental cost of the reorganization is US$79,486. Overall, the reconfiguration is expected to result in efficiency improvements in the administrative costs of Senior Management.

Pillar 2: Deepening HR reforms

18. Under the Change and Reform Agenda, strategic workforce planning, initiated in 2010, is being used as a platform for ensuring that IFAD aligns its HR with the evolving business needs. Toward this end, encouraging progress has been made, shown in figure 3. In addition, IFAD has assumed a direct responsibility for the design and supervision of the projects it funds under its new operating model. This has significantly increased the efficiency of IFAD's project implementation as reported by IOE in the 2010 Annual Report on Results and Impact of IFAD Operations, and in other multilateral studies. To further facilitate IFAD's work at country level and improve its effectiveness, the creation of country offices is increasing the share of the workforce devoted to operations. Currently IFAD supervises 90 per cent of some 250 projects, half of which are supervised by its country offices, making these integral to IFAD's business model and organization.

Figure 3
Realignment in workforce trends
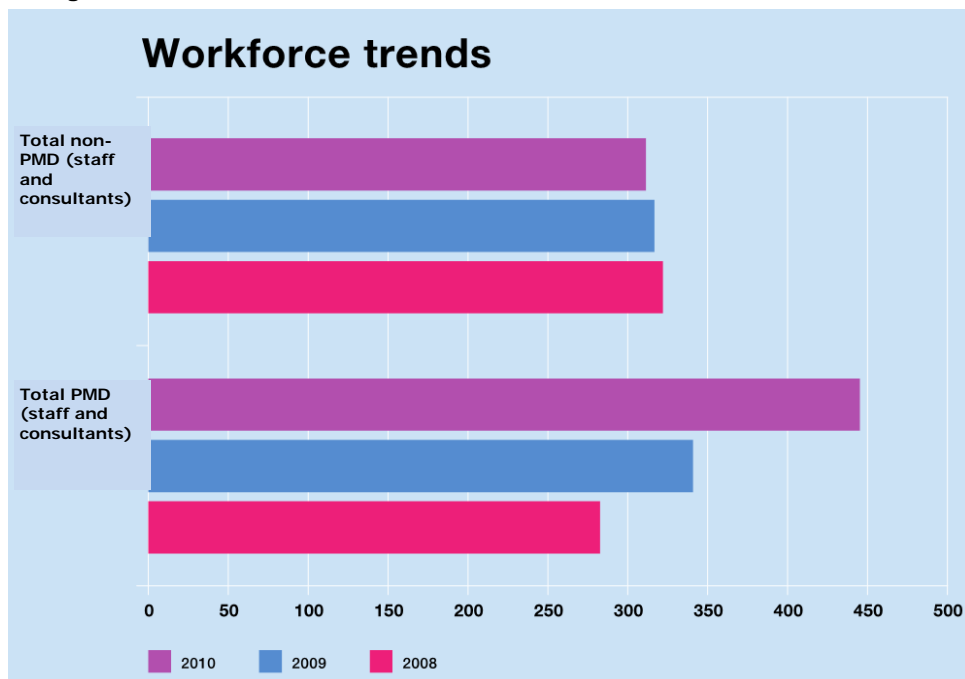
19. IFAD has fulfilled a number of commitments made during the Eighth Replenishment Consultation, including commissioning an external assessment of the results-based incentive system and the compensation and benefits system of the United Nations International Civil Service Commission (ICSC). In the context of this assessment, IFAD has successfully pursued its commitment to serve as a pilot site, or a laboratory, for United Nations system-wide changes since, as a direct result of the IFAD-funded external assessment, ICSC has implemented changes to the methodology it uses in its General Service staff salary survey, incorporating additional comparator employers.

20. In addition, the Fund is consolidating its HR reforms through the following initiatives:

   • **Revised staff rules and implementing procedures** to align the rules with best practices among sister institutions – which IFAD will make effective on 1 June 2011, following extensive consultation with staff and the Executive Committee of the Staff Association.

   • **Introduction of a full-fledged e-performance management system** with the primary goal of enhancing staff performance and aligning skills more tightly with objectives – which IFAD launched in 2011 and which incorporates lessons from the 2010 performance enhancement evaluation cycle.

   • **Various IT projects** to expedite routine HR processes such as recruitment of staff and consultants – which IFAD is currently executing. To take ICT development further, IFAD has commissioned an external evaluation of its ICT demand and supply.

   • **The first phase of the Voluntary Separation Programme** was implemented with mixed results in 2009, and led to the redesign of an early retirement programme as its phase two, which incorporates lessons learned, in the effort to match IFAD's business needs with the required skills.

   • **An external assessment of IFAD's HR management** – with the main findings presented to the 101st Executive Board in December 2010 as

follows: "IFAD's compensation system is expensive for support staff and does not provide the flexibility to manage core professionals." More specifically, the study concluded that (i) compensation and benefits of Professional staff and Senior Management were well below those of other IFIs; (ii) compensation and benefits of support staff in Rome were comparatively high relative to other IFIs; and (iii) the proportion of support staff to professional staff was too high.

- **Road map for the way forward:** Through further consultation with the Executive Board and staff, IFAD has devised a road map to redress the findings of the external review. Management has taken a number of steps, including (i) freezing 2011 salary increases for support staff; (ii) freezing engagement of General Service staff, except through internal competition; and (iii) continuing strategic workforce planning to align HR with objectives.

- **Job audit**, which IFAD is implementing under the road map and which will encompass all Professional and General Service staff and consultants. This will be tied to an improved and more coherent strategic workforce plan.

- **Analysis of the possibilities within and outside of the ICSC compensation model** with reference point assigned to the regional development bank model for the Professional staff and involving the World Bank model in Rome for the General Service staff.[1] This will include a review of legal perspectives, contract transition, acquired rights and pension options.

- **Recruitment of managerial and senior staff:** From the end of 2010, IFAD undertook a recruitment campaign to select seven managerial and senior staff members for its reconfigured organization. Thus far in 2011, IFAD has appointed the Chief Finance Officer; Head, Corporate Services Department; Chief Development Strategist; Controller and Director, Financial Services Division; Director, Office and Audit and Oversight; Director, Human Resources Division; and Budget Manager. Two of these positions were filled by internal candidates.

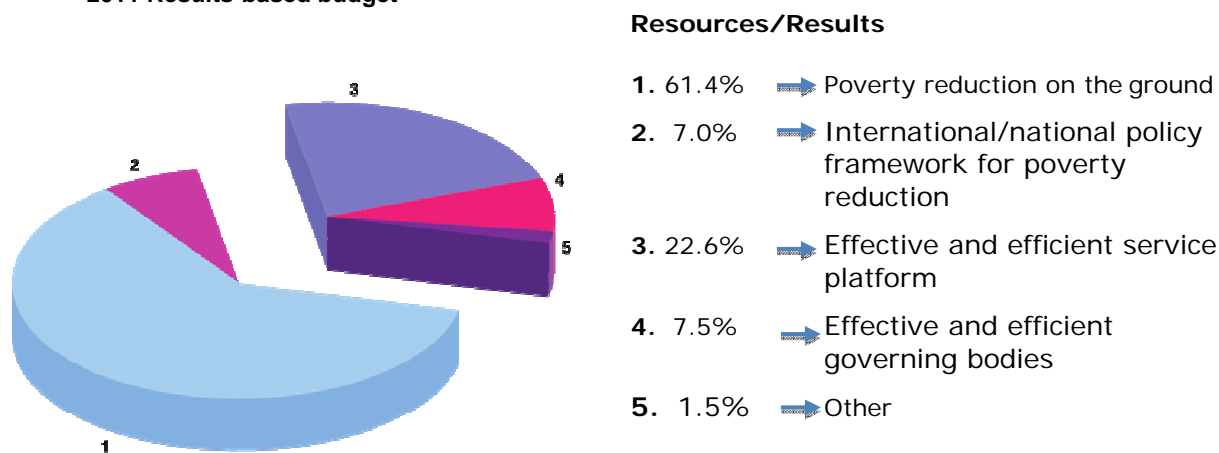**Pillar 3: Strengthening financial services**

21. As of 1 January 2011, IFAD established a dedicated department for financial operations under the Chief Finance Officer, which consolidates financial operations within one department, and comprises the Controller and Financial Services Division, the Treasury Division, and the newly established Budget Unit under the P-5-level Budget Manager who will assume responsibility for the important reform action of sharpening budget preparation and execution; and the Corporate Services Department, which comprises the Human Resources Division, the Information and Communications Technology Division, the Administrative Services Division and the Security Unit.

22. The specific goals of the second phase of the reconfiguration are to (i) concentrate IFAD's financial operations and instil more effective mitigation of risks and capture of opportunities, including intensifying the emphasis on efficiency; (ii) consolidate IFAD's financial reporting to ensure timely provision of accurate financial information for Senior Management decisions; (iii) pursue effectiveness in the use of IT and automation, ensuring that business processes and approval steps add value and assign accountability appropriately; (iv) maximize enterprise resource planning, including through system coordination and loans and grants management to support IFAD's operations for the greater benefit of smallholders and agricultural

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[1] Birches Umea, Final report on IFAD's Compensation and Benefit Package, November 2010. Option 2:IFI Status, Regionally Referenced Model, in which a simplified comprehensive base salary with the elimination of cost-of-living and housing allowances is referenced against the average of the five regional development banks; dependency policies are continued; locally recruited staff salaries are based on a modified World Bank/Rome scale; and a fully portable contribution pension scheme is introduced.

development under the Fund's mandate; and (v) align administrative resources more precisely with the Fund's operational needs and results, as defined under the Fund's mandate and the IFAD8 commitments.

23. IFAD will strengthen financial management further by launching a replacement project to revamp the outdated Loans and Grants System – an important result will be the establishment of an **e-disbursement system**; and a number of initiatives to re-engineer financial business processes, particularly those related to the handling of disbursements.

24. With the continued implementation of a zero-based budget approach, strengthened by the mid-year budget review and consolidated budget preparation processes, IFAD has been able to ensure that a larger share of its resources are directed to achieving results on the ground and that it is making progress with its results-based budgeting exercise. As shown in figure 4, the 2011 budget devotes two thirds (61.4 per cent) of its 2011 administrative resources directly to achieving poverty reduction on the ground.

Figure 4
2011 Results-based budget

Resources/Results

1. 61.4% ➡ Poverty reduction on the ground

2. 7.0% ➡ International/national policy framework for poverty reduction

3. 22.6% ➡ Effective and efficient service platform

4. 7.5% ➡ Effective and efficient governing bodies

5. 1.5% ➡ Other

Pillar 4: Transparency and accountability

25. The actions taken by Management to improve IFAD's transparency include:

   (i) A IFAD Policy on the Disclosure of Documents, which will come into effect in 2012 – like those of IFAD's sister institutions, it is based on the notion of "presumption of full disclosure", which enables a public disclosure of IFAD's documents to the greatest extent possible and establishes a policy and procedure for disclosure of previously undisclosed documents based on requests;

   (ii) The IFAD Medium-term Plan 2010-2012 – a rolling three-year plan that fully details the annual programmes of work, results, and allocation of financial and human resources; and

   (iii) The certification of IFAD's code of conduct by IFAD staff to avoid any conflicts of interest emanating from the private activities of IFAD staff and to further a culture of transparency and ethical behaviour.

26. With respect to IFAD's accountability framework, the actions taken by Management include: (i) preparation of a new accountability framework that specifies the responsibilities of Management and staff; (ii) the revised Charter of the IFAD Office of Audit and Oversight, which strengthens and clarifies the Office's role with respect to reporting arrangements to the Audit Committee and Management, and brings the practices of the Office to best industry standards; (iii) the Medium-term Plan, which details lines of accountability for the delivery of IFAD's programme of work and

resource use; and (iv) the establishment of the Ethics Office, which will encourage the ethical behaviour of staff and adherence to the Fund's values and Code of Conduct.

Pillar 5: Alignment of resources to objectives and results

27. Management has introduced new instruments to ensure a full alignment of financial and human resources with strategic objectives and results. In addition to the IFAD Strategic Framework 2011-2015, which provides overall guidance, and the Results Measurement Framework, which sets the operational and corporate management targets, Management has introduced, under the Medium-term Plan, (i) a results-based budgeting system that allocates IFAD's resources to achieve clusters of results; and (ii) strategic workforce planning that deploys IFAD's workforce to achieve developmental and institutional results. These instruments have enabled IFAD to deliver an expanded programme of work with minimal increases in the administrative resources as is shown in figure 5.

Figure 5
Expansion of IFAD's loans and grants and changes in the administrative budget
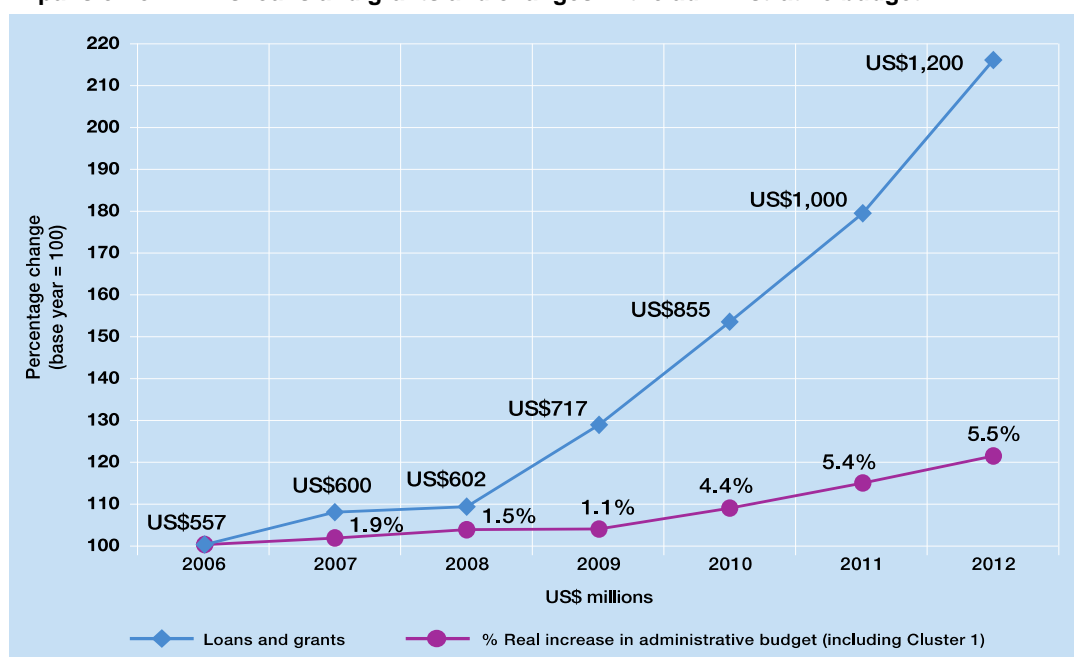
28. Reinforcing these instruments, and taking up one of the 2010 audit recommendations, Management has established a comprehensive business continuity framework, designating focal teams for ensuring business continuity in the case of unforeseen disruptions for any reason, including natural disasters or civil strife. Finally, in response to the Annual Report on Results and Impact of IFAD Operations, Management has begun a comprehensive review of its corporate business processes to systematically identify opportunities for operating more efficiently and effectively.

IV. Conclusions

29. IFAD has made solid progress in implementing its commitments under the Eighth Replenishment. In 2010, it successfully delivered the first year's programme of loans and grants at a level of US$855 million, reflecting a 19 per cent increase over 2009, the last year of IFAD7. Disbursement levels have also increased and cancellations have decreased, resulting in faster delivery of financial and technical support.

30. IFAD's successes also trigger new challenges as the Fund continues to mobilize resources to support agricultural and rural development and to scale up its

operations to stimulate broader poverty reduction impact. While IFAD's performance on sustainability and efficiency has shown improvements, these results need concerted attention as they have lagged behind those of other performance targets. This is where IFAD needs to strengthen itself to maintain and continue boosting its corporate efficiency and to attain its institutional objectives.

31. IFAD Management is committed to implementing the Change and Reform Agenda in its entirety to ensure that IFAD builds its capacity and delivers the expanded programme of work at the high quality identified in its corporate results framework and with the agreed poverty reduction results.

32. To ensure that IFAD makes steady progress toward its goals, as defined in the Change and Reform Agenda, a detailed implementation plan has been prepared and is presented in the annex in the form of a medium-term logical framework. It sets out the measures IFAD will take to implement initiatives within each pillar.

33. The Change and Reform Agenda spans management responsibilities to field operations to administration and will engage the entire organization in its implementation. Aimed at reaffirming IFAD as an agile and efficient institution, it will have a tangible impact on the results IFAD generates on the ground. Looking ahead, to sustain the reform outcomes, IFAD will continuously incorporate acquired knowledge and lessons from the implementation of the agenda not only to instil a culture of constant learning but also to ensure that it aims at the highest achievement it can reach as an organization.

Logical framework for implementation of the Change and Reform Agenda

Pillar 1: Strengthening organizational capacity

Goal	Objectives	Key initiatives/outputs			Assumptions/risks
		2011	*2012*	*2013*	
A strengthened overall managerial capacity • To make IFAD a more efficient, effective and agile organization • To enable IFAD to continue to be a results-based organization capable of achieving concrete results and stronger impact on the ground through the projects and programmes it finances	Realigning and streamlining IFAD's support functions	Consolidating financial management with the creation of a Financial Operations Department (FOD) led by a Chief Finance Officer (CFO)	Strengthening further the role, responsibilities and operations of FOD - strategy for FOD	Implementation of divisional reforms, ensuring strong skills and resource alignment with divisional results targets	Assumption(s) • Support of the Executive Management Committee (EMC) • Capacity to attract good candidates Risk(s) • Resistance to change
		Streamlining IFAD's corporate services with the creation of a Corporate Services Department (CSD) led by a Head, CSD	Strengthening further the role, responsibilities and operations of CSD -Strategy for CSD	Implementation of divisional reforms, ensuring strong skills and resource alignment with divisional results targets	
		Consolidating resource mobilization activities under an Office of Resource Mobilization and Partnership to be led by a Senior Advisor	Completing the recruitment of a Senior Advisor on resource mobilization	Implementation of new resource mobilization strategies, including with foundations and the private sector	
		Review of structure, timelines and resources of the Human Resources Division	Implement change process to improve capacity of HR Division	Efficient and effective HR management established as a strategic partner to IFAD's programme of work	
		Strengthen the Office of Strategy and Knowledge Management and establish a small statistical unit	Review knowledge management operations	Efficient and high-value added Strategic and Knowledge management guidance operation established as a strategic partner to IFAD's programme of work	
		Completing the recruitment of available senior management position	Developing a clear strategy for resource mobilization	Leadership steering IFAD to achieve its mandated objectives and results	
		Review of the role, responsibilities and procedures of the Operations Management Committee (OMC)	Monitoring and fine tuning the inner working of the OMC	Seamlessly function and transparent decision-making process promoting engagement of the institution as a whole	

Pillar 2: Deepening HR reforms

Goal	Objectives	Key initiatives/outputs			Assumptions/risks
		2011	*2012*	*2013*	
An efficient and effective HR management platform to support the increasing programme of work with efficient, cost controlled, and value-adding workforce	Creating a robust and innovative HR management system and practices, which is fair, inclusive, and transparent	Publication of Staff Rules and revised HR procedure manual to modernize staff management practices and consolidate guidance under one body of Staff Rules and Implementation Procedures	Monitoring of the implementation of Staff Rules, which consolidate and streamline HR reforms	Review of the Staff Rules and implementation procedures based on feedback and experience	Assumption(s) • Engagement of the Executive and Operations Management Committees (EMC/OMC) • Capacity to develop and implement key areas of HR reforms and provide training Risk(s) • Resistance to implementation of change • Reputational risk of non-delivery of HR outputs
		Training HR officers and assistants on the implementation of the Staff Rules and the Implementation Procedures	Completion of HR handbook, comprising of HR Policy, Staff Rules, and Implementation Procedures, setting up one-stop-guidance source for HR management	Smoothly functioning HR operations that provide energizing opportunities for career development and professional growth	
		Clear guidelines on promotion and rotation, including to IFAD Country Offices (ICOs) with publication of ICO manual Finalization of standard job descriptions within established job families	Strengthen and standardize management and HR services to Headquarters and ICOs Align and strengthen job profiles	Promotion of ICO experience Efficient ICO operations and resourcing Align and strengthen job profiles	
		Implementation of automated HR processes	Implementation of automated HR processes	Electronic and paperless HR and benefits management system	
	Promoting a workforce with high level of engagement and performance	Further simplification of the Performance Enhancement System (PES) based on feedback from staff and managers	PES focuses on talent development, building the talent pool for sustained high-calibre operations of IFAD	Talent management and development through redefined tools and training	Assumption(s) • Constructive feedback received from staff and managers • Funding for training programmes and staff exchanges, and greater number of field-based staff • Effective implementation of a communication plan on value addition • Funding available for the transition for implementation of the reforms
		Review of the Global Staff Survey	New Global Staff Survey	Global Staff Survey	
		Review of compensation and benefits (initiated)	Review of flexibility within and outside of the current United Nations compensation and benefits (continued)	Implementation of revised compensation and benefits schemes, where and as appropriate to support greater staff engagement and higher productivity	

Goal	Objectives	Key initiatives/outputs			Assumptions/risks
		2011	*2012*	*2013*	
		Review of Springboard and Breakthrough programmes; and design of executive training for directors and preparation of a staff development programme	Design and implementation of new tools for development of management of talent Implement a staff development strategy with a learning management system	Continued development of talent	• Staff work plans allow time for training activities Risk(s) Perception of value addition
	Realigning HR with operational objectives	Strategic Workforce Planning (SWP) exercise revisited and updated for 2011-2013	SWP exercise revisited and updated for 2012-2014	SWP exercise revisited and updated for 2013-2015	Assumption(s) • Divisions and departments provide required information • Full OMC/EMC engagement • Funding possibilities for implementation of job audit recommendations • Additional capacity to carry out identified audit tasks on timely basis Risk(s) • Delayed implementation of job audit results which reduces capture of benefits
		Undertake job audit of all staff to pursue strong alignment of resources with objectives (Initiated)	Implement job audit recommendations, as appropriate, in the context of the SWP and objective to align resources with corporate objectives and targets	Continued implementation of job audit recommendations and implement recommendations, as appropriate, in the context of the SWP and objective to align resources with corporate objectives and targets	
	Creating a pool of qualified professionals in efficient support of operations	Recruitment processes reviewed to improve global reach and marketing of IFAD as an employer of choice, with due consideration for diversity	Joint recruitment missions with sister agencies Strong Associate Professional Programme Enhanced Internship and Associate Professional Programme	Continued efforts to support for international search for talent	Assumption(s) • Engagement of OMC and EMC • Budget allocations for planned activities Risk(s) • Inadequate budget possibilities

Pillar 3: Strengthening financial management

Goal	Objectives	Key initiatives/outputs			Assumptions/risks
		2011	*2012*	*2013*	
Efficient and effective management of IFAD's financial resources in support of the increasing programme of work	Ensuring the financial health of the organization	Appointing a well-qualified CFO			Assumption(s) • Capacity to attract well-qualified candidates • Capacity to train managers and key staff • Support from Governing Bodies Risk(s) • Resistance to implementation of change • Risk of non-delivery of expected outputs and delays in implementation of budget reform • Underfunded or delayed implementation of the LGS replacement project
		Revising financial procedures	Finalizing updated financial procedures	Finalizing updated financial procedures	
		Reviewing IFAD's liquidity and investment policy	Implementing new liquidity and investment policy	Implementing new liquidity and investment policy	
		Strengthening and consolidating the zero-based budget exercise	Monitoring budget usage with newly defined set of criteria Rigorous and consolidated budget preparation	Monitoring budget execution with newly defined set of criteria Rigorous and consolidated budget preparation	
		Introducing the financial assertion and attestation processes	Achieving financial attestation		
		Replacing the Loans and Grants System (LGS) – Project inception	Replacing the LGS - implementation	Replacing the LGS – operationalization Establishment of e-disbursement	
	Strengthening IFAD's capacity to manage innovative resource mobilization	Aligning functions in the Treasury Division, the Controller's and Financial Services Division (CFS), and the Project Management Department	Strengthening capacity in the Treasury Division, CFS, and creating overlap-free and efficient disbursement management function	Consolidating of operations in the financial complex providing a robust support platform for IFAD's programme of work and financial management	Assumption(s) • Capacity to attract good candidates • Support from EMC/OMC • Capacity to train managers and staff Risk(s) • Model constitutes a departure from IFAD's mission and mandate
		Re-engineering financial business processes to improve efficiency and effectiveness	Implementation of improvement to financial business processes		
		Appointing a new Controller and Director, CFS			
		Revising and finalizing the financial control framework	Lessons learned through monitoring of the financial control framework		
		Finalizing an IFAD financial model for the management of innovative financial instruments			

Pillar 4: Increasing transparency and accountability

Goal	Objectives	Key initiatives/outputs			Assumptions/risks
		2011	*2012*	*2013*	
A transparent and accountable management system	Promoting an inclusive decision-making process	Preparing the Medium-term Plan (MTP) 2011-2013, with clearly assigned accountability for results	Rolling MTP 2012-2014, as basis for 3-year budget cycle with clearly assigned accountability for results	Rolling MTP 2013-2015, as basis for 3-year budget cycle with clearly assigned accountability for results	Assumption s) • Support and engagement of all staff • Support and engagement from all managers to induce change • Improved communications through OMC/EMC and IMT with staff Risk(s) • Staff participate fully in divisional discussions
		Effective OMC meetings making corporate recommendations for EMC and serving as feedback forum for divisional meetings Regular and informative divisional and unit meetings	Effective OMC meetings making corporate recommendations for EMC and serving as feedback forum for divisional meetings Improved staff engagement monitored through divisional meetings	Effective OMC meetings making corporate recommendations for EMC and serving as feedback forum for divisional meetings Improved staff engagement monitored through divisional meetings	
		Improving staff-management communication and exchange of information	Improving staff-management communication and exchange of information (continued)	Improving staff-management communication and exchange of information (continued)	
	Creating an environment of trust and accountability	Establishing an Ethics Office, including the appointment of an Ethics Officer Ethics training and awareness building	Continued ethics training and awareness building Implementation of IFAD ethics and anti-harassment programme	Continued ethics training and awareness building Implementation of IFAD ethics and anti-harassment programme	Assumption(s) • Capacity to train managers and staff • Willingness to embrace change Risk(s) • Staff perception
		Preparing an accountability framework	Implementing a new accountability framework		
		Strengthening the Code of Conduct: Reviewing financial disclosure for managers/ selected staff	Implementing a financial disclosure for managers/selected staff		

Pillar 5: Aligning resources to results

Goal	Objectives	Key initiatives/outputs			Assumptions/risks
		2011	*2012*	*2013*	
An efficient and effective management and alignment of IFAD's financial and human resources with its strategic objectives and results, providing capacity for implementing an expanded programme of work and basis for extracting efficiency, thus improving effectiveness of IFAD	Medium-term Plan defines objectives and resource allocation through zero-based budgeting and strategic workforce planning approaches	Preparing the Medium-term Plan (MTP) 2011-2013, with clearly assigned accountabilities for results	Rolling MTP 2012-2014, as basis for 3-year budget cycle with clearly assigned accountabilities for results	Rolling MTP 2013-2015 as basis for 3-year budget cycle with clearly assigned accountabilities for results	Assumption(s) • Capacity to carry out the job audit identified • Cross-departmental involvement and commitment Risk(s) • Level of support from Governing Bodies
		Aligning available resources to objectives and results: Linking Pillars 1-4 through mainstreaming of SWP and results-based budgeting	Linking the strategic workforce planning to results-based budget		
		Putting into place the business continuity framework	Fully implementing the business continuity framework	Lessons learned: review of the business continuity framework	
		Updating and improving data dashboards	Improving availability of data and related monitoring system	Achieving full synchronization and real time monitoring of progress under the Change and Reform Agenda	
		Improving administrative efficiency through increased loans and grants portfolio while minimizing real increase in administrative budget	Monitoring efficiency gains	Monitoring efficiency gains	
		Assessment of the ICT complex and internalizing recommendations	Implementing recommendations of the ICT assessment (continued)	Implementing recommendations of the ICT assessment (continued)	
		Revision of Corporate Business Processes	Implementation of efficiency improvement in corporate business processes		