J⅃ **IFAD**

Enabling poor rural people
to overcome poverty

Update on Change and Reform Implementation:

Progress report on organizational strengthening, implementation of IFAD's business model, alignment of human and financial resources to strategic objectives, HR reforms, strengthening of financial management and improvements in other business processes

Executive Board — 104th Session
Rome, 12-14 December 2011

For: **Information**

Contents

Abbreviations and acronyms

CRA	Change and Reform Agenda
EMC	Executive Management Committee
ERM	enterprise risk management
FOD	Financial Operations Department
IFAD8	IFAD's Eighth Replenishment of IFAD's Resources
LGS	Loans and Grants System
MTP	Medium-term Plan
PES	Performance Evaluation System
PMD	Programme Management Department
PoLG	Programme of Loans and Grants
SKM	Office of Strategy and Knowledge Management
SWP	Strategic Workforce Plan
VSP	Voluntary Separation Programme

Executive summary

1. In 2009, Management launched the **Change and Reform Agenda (CRA)** to make IFAD a more effective, efficient and agile institution. The CRA aimed at enhancing organizational capacity, raising IFAD's profile as a knowledge institution, ensuring the prudent and effective management of financial resources, and improving efficiency. Considerable progress has been made in meeting those objectives. This report provides an update on the status of the CRA as of the end of 2011.

2. With respect to **organizational strengthening**, IFAD has implemented a series of reconfigurations focusing largely on the responsibilities of Senior Management and reporting arrangements. In 2011, the organizational and administrative framework for the expansion of IFAD country offices – a central pillar of the new business model – was strengthened. The former Finance and Administration Department was split into two departments: the Financial Operations Department headed by a Chief Financial Officer, and the Corporate Services Department headed by a Head of Department. The Office of Strategy and Knowledge Management (SKM) was strengthened with the appointment of a new Chief Development Strategist and the appointment of two Directors to head the Strategic Planning Unit and the Development Studies and Statistics Unit within SKM. And a new Head of the Resource Mobilization and Partnership Office (RMP), who is also a Senior Adviser to the President, was appointed.

3. The Fund has also made notable progress in implementing its **new business model**. Important components of the new business model include: (i) taking direct responsibility for supervising the projects funded by IFAD, and (ii) increased country presence to strengthen implementation support to countries. As of mid-2011, 93 per cent of IFAD projects were being supervised directly by IFAD. And at its May and September 2011 sessions, the Executive Board approved the revised policy and strategy for country presence and approved the establishment of 10 additional IFAD country offices. This will bring the total number of country offices to 40 by the end of 2013. The implementation of the new business model has contributed to mobilizing larger amounts of cofinancing from both donors and developing Member States as well as to higher and faster disbursement of IFAD funds.

4. With respect to the delivery of the **IFAD8 Programme of Loans and Grants (PoLG)**, Management believes that the Fund is on course to meet the US$3 billion target for 2010-2012. In 2010, the total PoLG exceeded US$845 million and for 2011, the total is projected to reach over US$1 billion. For 2012, Management is projecting a programme of IFAD-funded loans and grants of US$1.155 billion. The total IFAD programme of work, including programmes funded from non-IFAD sources but managed by IFAD and other cofinancing is, however, projected to reach US$7.564 billion in the IFAD8 period.

5. Overall, IFAD's capacity to expand its Programme of Loans and Grants, to mobilize resources from its development partners, to reach a larger target population, and to improve the results of its programmes has been materially enhanced. This has been confirmed by the Independent Office of Evaluation of IFAD as well as by external parties such as the Multilateral Organization Performance Assessment Network (MOPAN) and the United Kingdom's Department for International Development (DFID), which recently conducted their own reviews of IFAD's operations and organizational effectiveness. The Organisation for Economic Co-operation and Development (OECD), for its part, has confirmed that IFAD is the leader among international financial institutions in promoting country ownership and use of national systems.

6. An important objective of the CRA is to ensure **the alignment of human and financial resources with the strategic objectives of the Fund** as set forth in its Strategic Framework 2011-2015. Towards this end, Management has introduced

three important instruments: the first-ever **Medium-term Plan** (MTP); the **results-based budgeting system;** and the **Strategic Workforce Plan** (SWP) exercise.

7. The first MTP, which demonstrates in detail the relationship between resource use and expected outputs (inputs/outputs) for each department and division within a three-year rolling time frame, was submitted to the Executive Board in 2010. An updated version covering the period 2011-2013 will be submitted to the April 2012 Board. The **results-based budgeting system** has been used to allocate greater shares of the Fund's budget to country programme development and management and to reduce the budget for corporate management, reform and administration. The first phase of the **Strategic Workforce Plan** has documented the status of the current composition of staff and their respective strengths. The forward-looking component of the SWP is expected to be fully developed after completion of the job audit that is currently under way.

8. A major component of the CRA is the **human resources reform programme** under way since 2009. The HR reform programme consists of a wide array of initiatives, including updating the staff rules and implementing procedures; strengthening the HR platform for country offices; implementing an effective system for the rotation of staff; reviewing the staff Performance Evaluation System (PES); orienting the learning and development programme of the Fund to strategic needs; implementing an effective separation programme; and establishing an Ethics Office in 2011 to promote and uphold the highest ethical standards throughout the organization. In addition, the Human Resources Division has automated some of its processes to better serve its clients.

9. With the recruitment of an experienced HR Director in 2011, major strides were made in all aspects of the HR reform programme. The goal of Management is to ensure that the basic groundwork for the reforms is finalized by the end of 2011, with full implementation and consolidation of the reforms to be undertaken in subsequent years.

10. Another area of focus for the CRA has been **strengthening the financial services of the Fund**. The measures taken to date include: establishment of a new Financial Operations Department (FOD) under a Chief Financial Officer; reorganization of the Controller's and Financial Services Division to respond better to the evolving needs of the Fund; a major investment in information technology (IT) of US$15 million to upgrade the Fund's Loans and Grants System (LGS); transfer of the budget preparation and oversight function to FOD; and the planned creation of a Financial Planning and Risk Analysis Division for better financial planning and budgetary execution. In addition, a number of business process changes such as revising the business model for disbursement processing are being implemented within FOD to improve the efficiency of financial services.

11. As well as strengthening financial services, the CRA aims at improving and making more efficient other **key business and administrative services**. The goal is to reduce costs and improve response times by streamlining administrative procedures and using up-to-date IT tools wherever feasible. In 2011, various organizational units, including the Office of the Secretary, undertook reviews of their business processes and implemented important changes to achieve efficiency gains. Such actions will continue to be a focus of Management in the coming years.

12. In conclusion, Management believes that much progress has been made in strengthening IFAD to enable it to deliver on its mandate. In 2012, further efforts will be made to consolidate the gains made under the CRA and to address any organizational and business process challenges that may arise. Management is confident that in time the Fund will become an even more effective, efficient and agile institution.

I. Introduction: The Change and Reform Agenda (CRA)

1. In 2009, Management launched the Change and Reform Agenda (CRA) to make IFAD a more effective, efficient and agile institution. The strategic objectives of the CRA were the following:

    - Enhancing the organizational capacity of the Fund to ensure the effective delivery of IFAD8 and the attainment of the expected results;

    - Raising the profile of IFAD as a knowledge institution;

    - Ensuring the prudent and effective management of the Fund's financial resources; and

    - Improving the Fund's efficiency.

2. The CRA has been implemented using a modular approach to minimize disruptions and enable the institution to "learn by doing". A number of the key reform measures were preceded by studies and reviews undertaken by internationally recognized external experts. These studies included: the assessment of the Fund's human resources (HR) management system, focusing on salaries and benefits; a review of IFAD's financial services; and an assessment of the Fund's information technology and communication (ICT) system. These reviews provided an important framework for the actions taken under the CRA.

3. Specifically, these actions have included: (i) strengthening the Fund's organizational structure and streamlining its decision-making processes; (ii) aligning the Fund's human and financial resources closely with its strategic objectives; (iii) implementing reforms in human resource management to better manage staff performance and improve productivity; (iv) strengthening financial management to improve the efficiency of financial services; and (v) improving business processes throughout the organization to achieve efficiency gains.

4. This paper reports on the actions taken in 2011, in order to update the Executive Board on the progress made on CRA implementation. More specifically, it provides an update on each of the major areas of action that taken together constitute the CRA. In addition, the paper provides a brief update on the implementation of the IFAD business model by presenting the results achieved to date and the progress being made in achieving the IFAD8 Programme of Loans and Grants.

II. Strengthening the Fund's organizational structure

5. Since 2009, IFAD has instituted a series of organizational reconfigurations, focused largely on the responsibilities of Senior Management and reporting arrangements. The objective has been to ensure that the Fund has the optimum organizational structure and capacity, reporting arrangements, effective accountability frameworks and efficient decision-making processes, to enable it to deliver on its mandate and ensure that it uses the resources at its disposal effectively and efficiently. The actions have affected all departments.

6. **Programme Management Department (PMD).** The Fund has strengthened its Programme Management Department (PMD) by creating a new Environment and Climate Division (2009) and enhancing the capacity of its Policy and Technical Advisory Division through the incorporation of parts of the former Policy Division (2010). In 2011, it continued to strengthen the administrative and organizational framework for the establishment and expansion of **IFAD country offices** – a major pillar of the Fund's business model (see below). The actions taken have contributed considerably to ensuring that programme development and implementation support activities are carried out more effectively and efficiently.

7. **Financial Operations Department and Corporate Services Department.** At the beginning of 2011, the former Finance and Administration Department was split into two departments: the Financial Operations Department (FOD), headed by a

Chief Financial Officer; and the Corporate Services Department (CSD), headed by a Head of Department. These organizational changes have been key to: (i) improving the effectiveness and efficiency of the Fund's financial services; and (ii) enhancing the management of the Fund's human resources and internal administrative and business processes.

8. As part of the strengthening of FOD, a number of additional organizational measures have been taken in 2011. The Controller's and Financial Administration Division has been reorganized and new team leaders have been appointed to head the reorganized functions. In addition, the division is absorbing the processing of withdrawal applications previously done by PMD, with the entire process to be fully implemented by the beginning of 2012.

9. The Treasury Services Division has been strengthened with the appointment of a new Assistant Treasurer as well as a new Team Leader for asset and liability management. In addition, FOD is planning to create a Financial Planning and Risk Analysis Division (FRA), with a planned implementation date of 1 January 2012.

10. **Office of Strategy and Knowledge Management (SKM).** The main goal of this office, created in 2010 and headed by IFAD's Chief Development Strategist, is to strengthen the Fund's analytical capability and capacity for global policy dialogue and advocacy for smallholder agricultural development. In addition, the office is expected to make major contributions to country programming by: (i) preparing policy and strategy documents that are informed by state-of-the-art thinking; and (ii) developing more effective knowledge management instruments that focus on internal knowledge generation and dissemination, as well as on effective use of external knowledge sources.

11. Since its establishment at the beginning of 2010, the Office has already made a number of important contributions to strengthen IFAD's role in the international policy dialogue on smallholder agriculture. In December 2010, it published IFAD's flagship publication, the *Rural Poverty Report 2011*; in January 2011 it organized an international conference on New Directions for Smallholder Agriculture with the participation of renowned international experts and IFAD staff; and in 2010 and also in 2011 it organized one of the three round tables for the annual meeting of the Committee on Food Security. In 2011, the Board approved the IFAD Strategic Framework 2011-2015. The preparation of the Strategic Framework was coordinated by the Office. This will guide IFAD's operations in both the remaining two years of IFAD8 and the entire IFAD9 period.

12. In 2011, SKM was further strengthened with the appointment of a new Chief Development Strategist and two Directors to head the Strategic Planning Unit and the Development Studies and Statistics Unit, respectively. With the expected assumption of additional responsibilities by SKM in 2012, the Office is scheduled to become a full department beginning on 1 January 2012.

13. **Resource Mobilization and Partnership Office (RMP).** A new Head of the Office – who is also a Senior Adviser to the President – was appointed in 2011. Plans are under way to change the internal organization of the Office to allow for the optimal use of its human resources. RMP will encompass the Partnership Unit, the Replenishment Secretariat, the North American Liaison Office and the Arab Gulf States Liaison Office. This will ensure that IFAD is capable and empowered to implement fully its new Strategic Framework and business model. This calls for rapid scaling up of cofinancing arrangements and mobilization of supplementary resources from Member States for IFAD's Programme of Loans and Grants in the period up to 2015. It also calls for exploring innovative financing mechanisms by broadening IFAD's strategic partnerships to include the private sector and foundations, which are increasingly becoming major sources of finance for smallholder farming.

14. More broadly, the RMP will have the objective of strengthening the Fund's resource mobilization capacity to enable it to mobilize resources from both traditional and

non-traditional sources. In addition, the RMP will play a major role in strengthening the Fund's strategic partnerships to enable it to reach one of its most important objectives for 2015 – the scaling up of the Fund's programmes and projects – thus enhancing its development impact and efficiency.

15. **Streamlining the decision-making process and making it more transparent.** In tandem with the strengthening of the organizational structure, steps have been taken to streamline the decision-making process and make it more participatory and transparent. The Executive Management Committee (EMC), chaired by the President and composed of all senior managers, was created in 2009 with responsibility for decisions on policy matters. Also in 2009, the Operations Management Committee (OMC) was established to coordinate and take decisions on operational matters. This committee is chaired by the Vice-President and its membership was expanded in 2010 to include all IFAD directors. In 2011, stock taking of the EMC and OMC operations was undertaken to ensure stronger coordination between these two important decision-making and coordination bodies.

III. Implementing the IFAD business model

A. IFAD's new business model

16. Following the Independent External Evaluation of IFAD in 2005, one of the most important steps taken by the Fund was to adopt a new business model to guide the way it conducts its development operations. Important components of the new business model included: (i) taking direct responsibility for supervising the projects funded by IFAD, instead of giving such responsibility to cooperating institutions as had been the case in the past; and (ii) increased country presence to strengthen implementation support to countries. The Fund has made significant progress in these two areas. These have in turn resulted in greater mobilization of cofinancing resources as well as a significant increase in the annual rate of disbursement of Fund resources.

B. Direct supervision and implementation support

17. In line with its new business model, IFAD has in recent years significantly increased the share of the projects it directly supervises. On 1 July 2007, of the 151 projects it had in its ongoing portfolio, it directly supervised 32, or about 18 per cent of the total. This ratio had increased to 57 per cent (101 projects) by July 2008 and 83 per cent (169 projects) by July 2009. On 1 July 2011, IFAD's ongoing portfolio consisted of 238 projects, of which 220 or 93 per cent were being directly supervised by IFAD.

18. Along with the increase in the number of projects directly supervised, IFAD has introduced significant qualitative changes in its support to the implementation of the programmes it finances. Projects are supervised more frequently and usually with lower unit costs. The flow of disbursements has increased and in general the response time of the Fund to meet requests from developing Member States is now shorter. These changes are being achieved mainly by increasing the use of local and regional consultants and locally recruited national staff based in IFAD Country Offices (ICOs).

19. Currently, IFAD's country offices have a total of 73 staff, of whom 52 are national Professionals and General Service staff and 21 are international Professionals. ICOs now deliver many of the services that IFAD, prior to assuming direct supervision responsibility for its loans and grants, contracted from cooperating agencies. As ICO capacities develop and the offices provide a growing number of services, IFAD will rationalize its support services at headquarters. This will improve IFAD's efficiency and effectiveness and make IFAD a less "Rome-centric" institution.

C. Country presence

20. As noted above, IFAD has significantly increased its presence in the field by establishing a progressively larger number of country offices. During the pilot phase (2004-2007) IFAD established 17 country offices. At its December 2008 and December 2009 sessions, the Executive Board approved 10 and three additional country offices, respectively. Subsequently, at its May and September 2011 sessions, the Executive Board deliberated on the Fund's policy and strategy for country presence and, in approving the policy, sanctioned the establishment of 10 additional country offices. Of these, five are to be established in 2011 and five more during 2012 and 2013, bringing the total to some 40 country offices by the end of 2013. To provide the legal framework for the ICOs, eighteen Host Country Agreements (HCA) have been signed with a further 20 agreements in various stages of development.

21. As noted above, the expansion of the country offices has not only contributed to delivering a much larger Programme of Loans and Grants but also helped in effectively managing a sharp increase in the number of projects directly supervised. Without a cadre of staff located in-country, IFAD's transition to direct supervision would likely have been far less effective. Interviews with government officials and project staff have identified stronger implementation support as the main value added of IFAD's country offices. Overall, countries with country offices have performed better than those without, in terms of financial management, disbursement, availability of counterpart funds and compliance with procurement procedures. In addition, projects have entered into force earlier and first disbursements have occurred faster.

D. Delivery of IFAD8 Programme of Loans and Grants

22. Table 1 below shows the progress realized in terms of delivering the IFAD8 Programme of Loans and Grants and its regional distribution, as well as regular global/regional and country grants approved and planned during the 2010-2011 period. As can be seen from the table, in 2010 – the first year of IFAD8 – the value of loans and grants extended by IFAD amounted to a total of US$845 million. This has increased considerably in 2011 and is expected to reach a value of US$1 billion. For 2012, Management is projecting a programme of IFAD-funded loans and grants of US$1.155 billion.

Table 1
IFAD7 and IFAD8 Programme of Loans and Grants and cofinancing
(Millions of United States dollars)

	IFAD7			IFAD8			
	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Projected 2011	Projected 2012	Total Projected IFAD8
IFAD loans and Debt Sustainability Framework (DSF) grants	520	552	670	794	935	1 080	2 809
IFAD grants	36	41	47	51	65	75	191
Total IFAD programme of loans and grants	**556**	**593**	**717**	**845**	**1 000**	**1 155**	**3 000**
Other funds under IFAD management (estimated)	-	-	200	250	500	650	1 400
Cofinancing (external and domestic)	692	588	466	1 367	897	900	3 164
Total IFAD programme of work	**1 248**	**1 181**	**1 383**	**2 462**	**2 397**	**2 705**	**7 564**

Source: 2010 IFAD Annual Report and IFAD data.

23. The increased programme of work has been accompanied by a significant increase in the level of **cofinancing** of IFAD projects and programmes. While cofinancing by its nature varies significantly from year to year, the general trend has been a significant increase in terms of both external (donor) and domestic cofinancing, as

can be seen in table 1 covering the period from 2007 to 2012. For the IFAD8 period, the total IFAD programme of work, including programmes funded from non-IFAD sources but managed by IFAD, and including cofinancing from all sources is estimated to reach US$7.564 billion.

E. Disbursements of loans and grants

24. After some years of low growth, the disbursement of loans and grants has also increased significantly in 2010 and 2011. This is shown in table 2 below. The increase in disbursements reflects not only the increase in the size of the ongoing portfolio but also the improved implementation support now provided to IFAD-financed projects and programmes.

Table 2
Disbursements (historical)
(Millions of United States dollars)

	2007	2008	2009	2010	*up to 15 Nov* 2011
Loans, DSFs, component grants	403	444	443	500	505
All other grants	36	31	39	38	44
Total	**439**	**475**	**482**	**538**	**550**

F. Effectiveness and efficiency gains from the new business model

25. The new IFAD business model has both effectiveness and efficiency objectives. To the extent possible, efforts are made to reduce costs without compromising the quality of work on design, supervision and implementation support. The progress made to date is evident in the 2011 Report on IFAD's Development Effectiveness (RIDE). This shows that IFAD's overall development effectiveness has continued to increase despite significant reductions in the administrative (overhead) costs.

26. Overall, IFAD's capacity to expand its Programme of Loans and Grants, to mobilize resources from its development partners, to reach a larger target population and to improve the results of its programmes has been materially enhanced. This have been confirmed by the Independent Office of Evaluation of IFAD as well as by external parties such as the Multilateral Organization Performance Assessment Network (MOPAN), and the United Kingdom's Department for International Development (DFID), which recently conducted their own reviews of IFAD's operations and organizational effectiveness. The Organisation for Economic Co-operation and Development (OECD), for its part, has confirmed that IFAD is the leader among international financial institutions in support for country ownership and use of national systems.

IV. Aligning human and financial resources with strategic objectives

A. New management instruments

27. Under the CRA, the Fund has introduced three important management instruments to better align its human and financial resources with its strategic objectives, as set out in the IFAD Strategic Framework 2011-2015.

28. The first is the **Medium-term Plan**, which provides in great detail the relationship between resource use and expected outputs (inputs/outputs) for each department and division within a three-year rolling time frame. The second is the adoption of a **results-based budgeting system** to ensure that the resources of the Fund are optimally allocated by linking resource allocation directly to expected development results and impact. The third instrument is the **strategic workforce planning** exercise which is aimed at the deployment of the IFAD workforce in line with strategic objectives.

29. **The Medium-term Plan.** The Fund's first MTP was prepared and presented to the Board in 2010. The MTP uses a logical framework to set out in detail each organizational unit's resource allocation, expected outputs, and contributions towards achieving the expected development results and outcomes over a rolling three-year period. In addition, the MTP provides a clear accountability framework for the execution of the programme of work and the use of resources. In short, with the introduction of the MTP, for the first time IFAD is using a medium-term framework for planning and allocating its resources and for annual comparative reporting. The updated version of the MTP, covering the period 2011-2013, will be presented to the Executive Board in April 2012.

30. **Results-based budgeting.** In 2010, IFAD introduced a results-based budgeting system with the following objectives: linking expenditures directly to results; aligning budget allocations with results requirements; and creating an accountability framework to track expenditures against results achieved. To allow for clear priority setting and for ease of analysis, the administrative budget has been grouped into four clusters: 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; and cluster 4 – support to Members' governance activities.

31. Using the results-based budgeting approach, Management has tried to achieve an optimal allocation of resources by giving high priority to clusters 1 and 2 in order to meet agreed programme outputs and effectiveness and quality targets as set out in the RMF,[1] while rationalizing the resources allocated to clusters 3 and 4.

32. The allocation of the Fund's budgetary resources by clusters for 2011 is shown in chart 1 below. As can be observed, clusters 1 and 2 account for some 70 per cent of the total allocation of resources in the 2011 budget. A further increase in the allocation to clusters 1 and 2 and a reduction in the allocation to clusters 3 and 4 are being proposed in the 2012 budget submission to the Executive Board.

Chart 1
2011 budget allocation by clusters
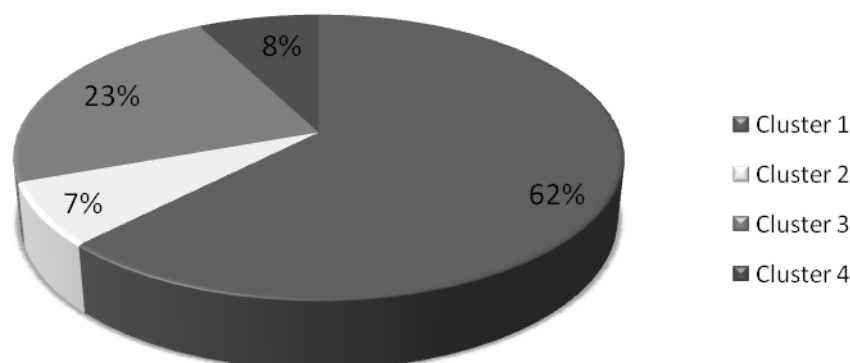
Cluster 1 – country programme development and implementation; cluster 2 – high-level policy dialogue, resource mobilization and strategic communication; cluster 3 – corporate management, reform and administration; and cluster 4 – support to Members' governance activities.

33. **Strategic workforce planning.** The Fund's workforce – both staff and consultants – represents the key resource for achieving IFAD's objectives, and the associated

---

[1] While according relative priority to the budgets for clusters 1 and 2, keen attention will be paid to maximizing cost-efficiency of expenditures incurred under these clusters.

costs account for nearly two thirds of the Fund's annual budget. The optimal deployment of the workforce (and the containment of staff costs) is thus critical for both the Fund's effectiveness and its efficiency. The guiding principle here is to ensure that IFAD has the maximum workforce allocated to clusters 1 and 2, and the minimum workforce deployed to clusters 3 and 4, while still ensuring provision of the needed level of administrative and support services.

34. With a view to achieving this goal, IFAD has developed for the first time a framework for its Strategic Workforce Plan (SWP), based on the skills-mix needs and requirements of its business. The first part of the SWP exercise has documented the status of the current composition of staff and their respective strengths. The forward-looking component of the SWP is expected to be fully developed after completion of the job audit that is currently under way (see below).

35. **Job audit.** Following the external review of the compensation and benefits of IFAD staff, an audit of IFAD jobs was identified as an essential prerequisite to further strengthen the Fund's workforce and address the anomalies identified in the external review. The job audit encompasses all professional and general service staff, as well as consultants engaged in core activities. It is aimed both at addressing the question of potentially misclassified positions and creating a more coherent strategic workforce plan. A consulting firm was hired in mid-2011 to conduct the job audit and is now actively at work. Their first report will be provided to Management at the end of December, and a final report at the end of the first quarter in 2012.

36. The job audit process is following standard professional position assessment practices using the International Civil Service Commission (ICSC) job grading system. Although the results of the audit and the implementation methodology will not be made available to staff until 2012, communication channels have been established to provide information on the audit methodology and process to staff. The IFAD HRD Reforms Intranet website is regularly updated with information about the job audit process, including answers to questions submitted by staff. HR champions have been nominated by each division to further facilitate communication between Management and staff, and regular meetings occur with the HR champions and the HR Director and job audit consultants.

B. Human resource management reforms

37. The successful implementation of IFAD's programme of work depends to a large extent on the effective and efficient deployment and management of staff, as they constitute the most vital resource of the institution. Towards this end, an extensive human resources management reform programme has been launched under the CRA since 2009.

38. As reported in May 2011, the deepening of HR reforms has the following objectives:

- Creating a robust and innovative HR management system and practices that are fair, inclusive and transparent;
- Promoting a workforce with a high level of engagement and performance;
- Realigning human resources with operational objectives; and
- Creating a pool of qualified professionals for efficient support of operations.

39. The **strategic workforce planning** and the **job audit** (discussed in paragraphs 33-36 above) are two major aspects of the HR reform agenda. In addition, a number of other key initiatives were identified to achieve the HR reform strategic objectives. A change and reform task force has been established to drive the HR

reform initiatives and ensure that the objectives of the reforms are achieved.[2] Outlined below are highlights of the other key areas of the HR reform and their status as of the end of 2011.

40. **Staff rules and implementing procedures.** Clear, predictable, rules-based and fair management of staff is critical for the effective functioning of the institution. The administration of staff is guided at the highest level by the Human Resources Policy approved by the Executive Board in 2004. The policy is currently implemented through the Human Resources Procedures Manual (HRPM), which provides a combination of rules and procedures. To ensure consistency and alignment with best practices, Management has decided to separate the rules from the procedures. The staff rules will provide the overall guiding principles in line with the Human Resources Policy, and the implementing procedures will provide detailed measures for implementing those principles.

41. Work on revising the staff rules and the related implementing procedures has been under way since 2009 and has been done through an interactive process of consultation with staff, whose concerns have been taken into account. The staff rules and implementing procedures are now undergoing a final review by the new Director of Human Resources prior to their submission to the EMC for approval. Both the rules and implementing procedures are scheduled for release not later than the end of 2011.

42. **Collaboration with the International Civil Service Commission (ICSC).** Following the 2010 external assessment of human resource management,[3] IFAD initiated fruitful discussions with the ICSC, seeking ways to give IFAD the flexibility it requires to address some of the issues that arose from the review. Based on its consultations with the ICSC, IFAD has been assured that opportunities exist for sufficient flexibility to achieve important institutional goals. Management has therefore concluded that the best approach for IFAD would be to continue to manage its ICSC-determined pay and benefits system by introducing the required flexibility and changes to the system. In this regard, two important results have been achieved. First, after IFAD completes a thorough review of its performance evaluation and management system in 2012, the ICSC has signalled its willingness to collaborate with IFAD in piloting a **pay-for-performance system**. Second, the ICSC has agreed to advance by one year its Rome Local Salary Survey for General Service (GS) staff, reflecting the concerns raised in the 2010 external assessment about the unusually high level of GS salaries in the Rome-based agencies. IFAD is participating actively in the Rome Local Salary Survey Committee to help ensure that the outcomes accurately and appropriately reflect comparator GS salary levels.

43. **Strengthening the HR platform for country offices.** As noted above, IFAD's country offices are a central pillar of the IFAD's new business model. Creating the administrative and HR platform for these offices is thus a critical element of the CRA. To achieve the goal of "one IFAD workforce", 43 IFAD contracts have been issued to national Professionals and General Service staff in 23 country offices. In addition, at IFAD's request, four United Nations Development Programme (UNDP) contracts have been issued to national Professionals in four locations. Furthermore, there are 21 international Professional staff members outposted to IFAD country offices, including Associate Professional Officers. This number is expected to increase.

44. Standardizing the management of IFAD staff in the field remains a priority for Management. The United Nations system has launched a project to harmonize the recruitment and selection processes for GS staff and national officers in country

---

[2] The change and reform task force is led by the Head, Corporate Services Department, and includes the Director of HRD, the Director of OPV, and one Professional and one General Services staff member. The terms of reference for the task force are published on the IFAD Intranet at http://intranet.ifad.org/divisions/fad/fh/hrreform/taskforce/taskforce.pdf

[3] **Report on staff compensation and entitlements** (Distributed only to Executive Board Members), EB 2010/101/R.51 + Add.1

offices, focusing on the use of standardized vacancy advertisements, harmonized recruitment criteria, and common selection mechanisms both to streamline the sourcing and hiring processes for local staff, and to increase collaboration among United Nations agencies locally. IFAD has offered to take part in the pilot in Viet Nam. This general harmonization should contribute to greater effectiveness in IFAD recruitment operations.

45.   Financial and non-financial incentives are also being developed to enhance the attractiveness of country assignments for Professional staff. In addition, a country office support coordination function is being established in the Corporate Services Department front office. Additional resources will be provided to help manage and coordinate HR field services and operations, including the publication of a country office handbook in the first quarter of 2012. All of these initiatives will further contribute to strengthening the HR platform for country offices.

46.   **Rotation of staff.** As reported earlier to the Executive Board, in order to remain relevant and competitive IFAD is making a conscious effort to reinforce its rotation policy to enhance staff mobility and improve effectiveness and efficiency. Clear procedures are being included in the HR implementing procedures regarding rotation, and IFAD continues to encourage rotation of its staff when appropriate and in line with IFAD's business and staff development goals. The rotation of three PMD directors that took place effective 1 November 2011 has had several positive effects. In addition to applying the strengths of the rotated directors in new areas of focus and challenge, and strengthening the depth and transferability of skills and talents at senior levels, this rotation also served as a useful demonstration to all staff of the desirability and benefits of such rotations. In 2011, a total of 44 internal rotations were recorded, in addition to five transfers outside IFAD. IFAD will continue to participate in the Inter-Agency Mobility Accord of the United Nations system, which is undergoing a thorough review.

47.   **Review of the performance evaluation system.** In 2010, IFAD's review of its performance evaluation system (PES) led to a fully electronic performance enhancement system (e-PES) being implemented in 2011. The first round of the e-PES revealed opportunities for further refinement, streamlining and simplification, which are being implemented in early 2012. In line with the review of performance management currently taking place within the United Nations system, IFAD is considering how best to design an even more effective performance management system that strengthens the alignment of performance and institutional strategic goals and emphasizes development and support. The system would also need to effectively manage less-than-satisfactory performance as an essential prerequisite to establishing a system to better align rewards with performance. This process will continue in 2012, with an expectation of changes being introduced in time for the performance review cycle that will start in early 2013. The refined 360-degree evaluation system introduced this year for the 2010 review will continue to serve as an input into performance management.

48.   **Learning and development.** The training portfolio continues to provide opportunities for capacity-building and career development in a cost-effective way for an increased number of participants. A review has been completed of the effectiveness and outcomes of the Springboard and Breakthrough Programmes, which were created to nurture talent within IFAD at both the Professional and the GS levels. The recommendations from the review are now being internalized so as to ensure that these two programmes achieve their objectives. Further and deeper reviews of the strategic alignment of the training programme with the critical goals of the institution, and the skills and competencies needed to accomplish those goals, will take place in 2012. An essential part of that review will be to look at ways to strengthen training to manage challenges related to IFAD's increasing country presence, and to strengthen the performance management skills of first-line managers and supervisors.

49. **Second phase of the Voluntary Separation Programme (VSP).** The VSP was initially expected to be completed in two phases, in 2009 and 2010, respectively. The first phase of the VSP was implemented in 2009, with 10 staff members taking advantage of the programme. By the end of the second phase in 2010, only one additional staff member had taken advantage of the programme. Consequently, the Governing Council (resolution 162/XXXIV) approved a one-year, cost-neutral extension to 2011 of the appropriation of the special expenditure for the VSP. The 2011 extension allowed for a further 14 staff to take advantage of the programme. A final report on the VSP is being presented separately to the Executive Board in December 2011, in which it is proposed that the balance of the VSP funds be repurposed to support the remaining critical elements of the HR reform agenda. These are in the nature of one-time investments (as opposed to continuing operational expenses).

50. **Automation of HR processes.** A number of projects were initiated in 2010 with the aim of automating critical HR processes. For nearly two years IFAD has been implementing an e-recruitment programme, which has led to an improvement in the efficiency of the recruitment process. Significantly less clerical time is now spent on uploading documents and the average number of days to complete a recruitment has dropped significantly, from 178 days in 2010 to 121 days in 2011 (although still short of the 100-day target). Since the deployment of e-recruitment the average time to create long lists has fallen to 12 days, down from 31 days in 2009/10. Other ongoing automation projects include the management of consultants' contracts, for which IFAD has now completed the IT development phase. Further automation of HR processes will undoubtedly lead to significant efficiency gains in the management of the Fund's human resources.

51. **Ethics Office.** The office, which was established on 1 February 2011 and is responsible for promoting and upholding the highest ethical standards in the organization, has also contributed to the improvement of human resources management at IFAD. The office provides guidance to Management to ensure IFAD rules, policies, procedures and practices reinforce and promote integrity. In carrying out this mandate, the office manages the organization's ethics and anti-harassment programmes and has developed and conducted staff training in these areas. In addition, the office reviews allegations of misconduct (that do not involve fraud and corruption) and closely coordinates with the investigation unit when an investigation is warranted, ensuring protection of staff against retaliation. Confidential advice is also provided to managers and staff on a daily basis on actions that may constitute violations of the Code of Conduct or the Fund's Core Values, such as conflicts of interest, outside activities, and gifts. The Ethics Office also manages the annual financial disclosure programme, and tracks trends to provide insight to Senior Management on organizational effectiveness including risks, incidents and initiatives relating to business conduct.

52. **Communication and consultation with Staff.** Communication and consultation with staff are essential elements of the human resource reform effort, and of human resource management in general. In this context, multiple channels were pursued in 2011. For example, to promote transparency with respect to policy and operational decision-making, the minutes of the Executive Management Committee and the Operations Management Committee, with links to issues papers, are regularly published on the IFAD Intranet. Terms of reference for the job audit exercise and other important related materials are also posted on the Intranet. The Executive Committee of the Staff Association (ECSA) was engaged for consultation on the drafting of the staff rules and the implementing procedures, and regular meetings are held with ECSA throughout the year with the President, HRD and the Office of the President and Vice-President, and on a bi-weekly basis with the HR Director. In addition, a network of divisional HR Champions was established in 2011 to improve the dissemination of information and encourage two-way

communication with respect to the progress of the job audit and other critical HR issues. Regular meetings are held with the HR Champions by the change and reform task force. Further structured communications and consultations with all staff are planned for 2012 in the context of the soon-to-be-released staff rules and implementing procedures.

C. Strengthening financial services

53. As noted above, important measures have been taken under the CRA to improve the effectiveness and efficiency of IFAD's financial services. These include the establishment of a new Financial Services Department under a Chief Financial Officer; reorganization of the Controller's and Financial Services Division to respond better to the evolving needs of the Fund; a major IT investment of US$15 million to upgrade the LGS (i.e. the system used for loan and grant administration and transactional processing); transfer of the budget preparation and oversight function to FOD; and the planned creation of the Financial Planning and Risk Analysis Division for better financial planning and budgetary execution from 1 January 2012.

54. In addition, a number of business process changes are being implemented within FOD. There are ongoing discussions on moving disbursements from a rigorous checking model toward a "funds flow model", for possible implementation during the first quarter of 2012. With regard to the upgrading of the LGS, some legal problems with the selected vendor were encountered but these have now been resolved. However, other outstanding disagreements are still being dealt with, which will likely to delay the start-up of the LGS. This delay has, however, been profitably used to rethink and further simplify key processes.

55. FOD has also undertaken the first ever mid-year budget review of IFAD and a spectrum of issues and possible solutions has been generated. Based on the findings, the EMC has approved a number of new approaches regarding specific treatment of different budget lines. It has also approved the proposed mid-year interdepartmental reallocations. A significant contribution to this process has been the generation of timely budget/commitment reporting to enhance visibility of actual and projected expenditures. The June 2011 departmental/divisional reports have been distributed to each department/division and a similar report has been produced for the period 1 January to 30 September. This reporting is very manually intensive but is suitable for automation. Once this has been accomplished, the reports will be generated on a monthly basis.

D. Improving other administrative and business processes

56. The Fund is continuously reviewing other administrative and business processes to reduce costs and improve response times by streamlining procedures and using up-to-date technology. Such reviews have encompassed various offices. The Office of the President and Vice-President has developed an IT-based system for tracking document flow and actions within the Fund to improve decision-making processes. The Office of the Secretary has introduced a web-based communication system with the Board; HRD has made progress with the automation its processes; and important business process changes are being introduced in the Controller's and Financial Services Division.

57. Further, in the Administrative Services Division, a system for common procurement with the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) has been launched and other joint services are being explored to reduce procurements costs for the three organizations. In addition, an external review of the division's processes and procedures is being carried out.

58. In the Information and Communications Technology Division, an external review of the Fund's ICT system has been undertaken and plans have been drawn up to ensure that IFAD makes full use of state-of-the-art IT to improve the efficiency of its internal business processes.

59. The Office of the Secretary continuously reviews its business processes to reduce costs and improve response times by streamlining procedures and using modern IT technology. The combination of these measures has yielded positive results. Four main business process reforms were under way in 2011:

- An external assessment of the Member Relations and Protocol Services Unit with the goal of improving the unit's method of operation and effectiveness;

- An analysis and evaluation of translation operations, including an assessment of the service costs and cost-effectiveness of translation services vis-à-vis comparator institutions; and

- Improving the modalities of communication with governing body representatives by adopting a more modern and engaging mode of communication. The IFAD Member States Interactive Platform was launched in October 2010 in response to the request for web-based communication with the Board. It is currently accessible only to Executive Board representatives. The positive feedback received from the membership has allowed the Fund to adopt a similar approach to other, larger governing body meetings. For this purpose, the features of the portal were enhanced and the content enriched to better respond to the specific needs of different meetings and working groups.

60. In 2012 the Office of the Secretary will continue the pilot programme for Language Services with a reduced staff of translators and an increase in the use of external translation services.

E. Risk management

61. Implementation of the IFAD Enterprise Risk Management (ERM) system is aimed at ensuring that IFAD's risk management and fiduciary processes are in line with best practice and that risks that may impede IFAD's ability to deliver on its commitments are mitigated and/or managed appropriately. Accordingly, starting in 2010 and continued in 2011, greater emphasis has been given to reviewing the risk management systems that are in place to ensure that the Fund manages key risks systematically.

62. The corporate risk profile, which constitutes the organization's apex enterprise risk management tool, was reviewed and updated in 2011. The profile includes identification of all major risks, assignment of accountability for each identified risk, formulation of risk mitigation strategies, and regular reporting and review of the status of each risk throughout the year by the Enterprise Risk Management Committee and Senior Management. To ensure proper follow-up, ERM training of IFAD staff, especially at managerial levels, is now a common feature of IFAD's managing and mitigating risk planning.

63. Important initiatives in 2011 included: (i) development of a corporate accountability framework; (ii) implementation of a financial disclosure policy; and (iii) implementation of a comprehensive framework for business continuity. These initiatives are IFAD8 deliverables. In addition, a management assertion on internal controls over financial reporting is under way and an independent external audit attestation of the state of internal controls related to 2012 financial reporting will be completed in 2013.

64. The Ethics Office, which was established in 2011 to promote ethical behaviour at all levels of the organization, will have the responsibility of overseeing the implementation of some of these new initiatives.

V. Concluding remarks

65. In 2011, significant progress was made in implementing the Change and Reform Agenda. Management believes that the essential organizational pillars to allow the

Fund to conduct its business effectively and efficiently are now in place, although these may require fine-tuning from time to time.

66.   Management believes that sustained efforts will be required to continue to enhance the effectiveness and efficiency of its key business processes. Towards this end, it will continue to lay a solid foundation for the expansion of IFAD country offices to ensure that the Fund fully realizes the immense benefits that well-functioning country offices generate. It will continue to strengthen the Office of Strategy and Knowledge Management so that the generation, capture and dissemination of knowledge from both internal and external sources is enhanced and informs all the operations of IFAD.

67.   Management will also continue to devote much effort to strengthening IFAD's service platforms dedicated to HR management, financial management, and administration. Much of the groundwork for putting in place a modern HR management system has now been completed and the challenge will now be to fully implement this. Similarly, much progress was registered in 2011 in bolstering the Fund's financial management, and 2012 promises to be a year of further progress and consolidation. Similar progress can be expected in other administrative business processes.

68.   In conclusion, Management believes that substantial progress has been made in strengthening IFAD to enable it to deliver its mandate. In 2012, further efforts will be made to consolidate the gains made under the CRA and also address any organizational and business process challenges that may arise. Management is confident that – in time – the Fund will become an even more effective, efficient and agile institution.

Status of IFAD8 commitments

Issue	Proposed actions	Target date	Delivery date
IFAD's role in middle-income countries	Present a policy paper on IFAD's engagement in middle-income countries (MICs) to the Executive Board.	September 2010	Presented at December 2010 Executive Board[4]
IFAD activities in fragile states	Introduce key issues relative to fragile states into relevant operational guidelines - including those for country strategic opportunities programmes (COSOPs), project design and supervision, and quality assurance and quality enhancement.	June 2010	**COSOPs**: relevant findings from a review of experiences in fragile states are reflected in the updated COSOP guidelines. **Supervision**: the guidelines update is finalized and state fragility issues have been introduced. **Project design**: the project design report outline has been revised and became effective in January 2011. The outline takes into account state fragility issues. **Quality assurance**: state fragility issues (such as risks, implementation capacity and sustainability) are duly taken into consideration in QA reviews. **Quality enhancement**: the guidance notes for the application of key success factors (KSFs) for project design, which reflect those outlined in IFAD's Quality Enhancement for Project Design Guidelines, specifically refer to fragility issues under KSF 3.
Country ownership	Measure performance on country ownership, and report to the Executive Board annually through the Report on IFAD's Development Effectiveness (RIDE).	December 2009 onwards	Presented every year from December 2009 session of Executive Board[5] onwards.
Collaboration and partnerships	Report to the Executive Board on the success of IFAD's efforts to develop a more selective approach to partnerships.	September 2011	Informal seminar in association with December 2011 session of Executive Board; strategy to be presented to the April 2012 session of the Executive Board
	Establish targets for partnerships, and report results to the Executive Board annually through the RIDE.	December 2009 onwards	Presented from December 2009 session of Executive Board onwards every year.
Strengthening IFAD's engagement with the private sector	If the need is identified, present a proposal for IFAD's role and instruments relative to engagement with the private sector, fully consistent with IFAD's mandate, to the Executive Board.	December 2010	The IOE corporate-level evaluation of IFAD's Private-Sector Development and Partnership Strategy presented to the Executive Board in May 2011. Grants to the private sector introduced in the Revised IFAD Policy for Grant Financing presented to the Executive Board in December 2009. Private Sector Strategy to be presented to December 2011 session of Executive Board.
Gender equality and women's empowerment	The IOE will conduct an evaluation of IFAD's performance on gender equality and women's empowerment in 2009. Based on the findings of the evaluation, the	December 2009 onwards	IOE evaluation presented to the Executive Board in December 2010.[6]

---

[4] EB 2010/101/R.14.
[5] EB 2009/98/R.10/Rev.1.
[6] EB 2010/101/R.9.

Issue	Proposed actions	Target date	Delivery date
	Executive Board will consider the need to develop a corporate policy and implementation strategy on gender.		
	Join the multilateral development bank working group on gender.		IFAD joined the multilateral working group on gender in June 2009.
	Report annually to the Executive Board on IFAD's performance on gender in its operations through the RIDE.		Presented every year from December 2009 session of Executive Board onwards.
			Gender policy to be presented at April 2012 session of Executive Board
Environment and sustainable natural resource management	Present for the review of the Executive Board "IFAD Procedures for Environmental Management and Sustainable Development".	April 2009	Reviewed at April 2009 session of Executive Board.[7]
	Present a policy on environment and natural resources, incorporating IFAD's climate change strategy, to the Executive Board.	December 2010	Informal seminar held in association with December 2010 session of Executive Board.
			Policy was approved by the Executive Board in May 2011.[8]
Climate change	Present a strategy on climate change to the Executive Board (see also "environment and sustainable natural resource management").	April 2010	Informal seminar held in association with December 2009 session of Executive Board.
			Strategy approved at April 2010 session of Executive Board.[9]
Sustainability	Report annually to the Executive Board on IFAD's performance with respect to sustainability through the RIDE.	December 2009 onwards	Presented every year from December 2009 session of Executive Board onwards.
Management for development results	Update IFAD's guidelines for COSOPs, for project design and for grants, with minimum standards for results frameworks and logical frameworks for all three		**COSOPs**: the COSOP guidelines were issued in early 2011; the updated guidelines provide a results management framework – also applicable to fragile states with necessary adjustments as warranted by country circumstances - aligning IFAD strategic objectives with country priorities, identifying expected results and corresponding indicators, as well as policy and institutional objectives
			Project design: the project design report outline has been revised and became effective in early 2011. The outline prescribes the inclusion of a new IFAD template logical framework for which guidelines were developed in 2010.
			Grants: the Revised IFAD Policy for Grant Financing was approved by the Executive Board in December 2009.[10] The procedures for grant financing and indicators for monitoring implementation of the policy were shared with the

[7] EB 2009/96/R.7.
[8] EB 2011/102/R.9.
[9] EB 2010/99/R.2/Rev.1.
[10] EB 2009/98/R.9/Rev.1.

Issue	Proposed actions	Target date	Delivery date
			Executive Board in May 2011.
	Present to the Executive Board a revised format for project documents submitted to the Board.	April 2011	A proposed new format for President's reports was approved by the Executive Board in May 2011 and will take effect as of the December 2011 session of the Executive Board.
	Report annually to the Executive Board on results achieved through the RIDE.	December 2009 onwards	Presented every year from December 2009 session of Executive Board onwards.
Consolidating the Action Plan reforms	Continue to report to the Executive Board on IFAD's operational and organizational reforms, principally through the RIDE.	December 2009 onwards	Presented every year from December 2009 session of Executive Board onwards.
Human resources reform	Present to the Executive Board reports on the implementation of IFAD's human resources reform agenda.	December 2009, 2010	Progress report on human resources reform – a people strategy for IFAD presented at December 2009 session of Executive Board.[11]
			Human resources reform update presented at December 2010 session of Executive Board.[12]
			Human resources reform update to be presented as part of Change and Reform: Consolidation paper at December 2011 session of Executive Board.
	Key performance indicators for the human resources reform will be reported annually to the Executive Board through the RIDE.	December 2009 onwards	Presented every year from December 2009 session of Executive Board onwards.
	Review the results-based incentive systems of other international institutions and report to the Executive Board with options to better align staff incentives with institutional performance.	September 2011	Report of external assessment of staff compensation and entitlements presented at December 2010 session of Executive Board
			Human resources reform update to be presented as part of Change and Reform: Consolidation paper at December 2011 session of Executive Board.
Financial management, fiduciary and transparency issues	IFAD's administrative budget and Programme Development Financing Facility (PDFF): Engage with the Audit Committee of the Executive Board to integrate expenditures currently financed under the PDFF fully into the administrative budget.	IFAD's budget for 2010 onwards	Reviewed at December 2009 session of Executive Board and implemented in budgets for 2010, 2011, and 2012.
	Internal audit: take steps to continue enhancing the quality and independence of the internal audit function in line with evolving best practice.	[to be determined]	The Board reviewed and confirmed the Revised Charter of the IFAD Office of Audit and Oversight during the April 2010 session of the Executive Board.[13]
	Audit Committee: to present revised terms of reference and rules of procedure for the approval of the Executive Board.		Presented at September 2009 session of Executive Board.[14]
	Procurement: Present the Executive Board with a review of	December 2009	Review of IFAD's project procurement guidelines presented

---

[11] EB 2009/98/R.18.
[12] EB 2010/101/R.49.
[13] EB 2010/99/R.49/Rev.1.
[14] EB 2009/97/R.50/Rev.1.

Issue	Proposed actions	Target date	Delivery date
	IFAD's project procurement guidelines and their implementation, including a comparison with those of the World Bank and its reference guide to "Fiduciary Management for Community-driven Development Projects", and an assessment of their alignment with IFAD's anticorruption policy.		at December 2009 session of Executive Board[15] Revised guidelines approved in September 2010.[16]
	Disclosure: Executive Board to amend the IFAD Policy on the Disclosure of Documents to allow for disclosure of project appraisal documents on IFAD's public website prior to the Executive Board session during which the project will be considered.	September 2009	Amendment to IFAD's Policy on the Disclosure of Documents approved at September 2009 session of Executive Board.[17]
	Executive Board to review policy provisions with regard to the disclosure of previously undisclosed documents.		Policy of "presumption of full disclosure of documents produced by IFAD" approved at the September 2010 session of Executive Board.[18]
	Risk management: The President to submit an annual report on IFAD's risk management activities to the Executive Board through the Audit Committee.	Ongoing	Presented every year from April 2009 session of Executive Board onwards.[19]
	Accountability and transparency: Adopt an internal control framework and a financial disclosure policy for senior officers and relevant staff.	June 2009	Internal control framework: Full attestation of objectives by external auditors on financial statements as at 2012 Management assertion on financial statements as at 2011: Steps already taken in 2009-2011: process mapping and documentation of all key financial processes; external review of the processes mapped and gap analysis; reviewing and testing the mapped key controls related to financial reporting for financial year 2011. Financial disclosure policy: A financial disclosure policy applicable to all IFAD staff was implemented through the "Certification of compliance with IFAD's Code of Conduct".[20]
Improving the implementation of the performance-based allocation system (PBAS)	Executive Board to mandate the PBAS working group to continue its functions and, as well, review the best practices of other IFIs and identify improvements to the system.	Ongoing	Ongoing
Achieving and measuring	Present the final Results Measurement Framework for the approval of the Executive Board,	September 2009	Approved at September 2009 session of Executive Board.[21]

[15] EB 2009/98/R.12.
[16] EB 2010/100/R.27.
[17] EB 2009/97/R.33.
[18] EB 2010/100/R.3/Rev.1.
[19] EB 2009/96/R.28.
[20] President's Bulletin PB/2010/08 and Information Circular of the Office of Audit and Oversight IC/AOU/10/01.
[21] EB 2009/97/R.2.

Issue	Proposed actions	Target date	Delivery date
results	prior to the start of the Eighth Replenishment period.		
	Report to the Executive Board on achievements against the IFAD8 Results Measurement Framework through the RIDE.	December 2010 onwards	Presented every year from December 2009 session of Executive Board onwards.
Grants	Present a revised policy on grants to the Executive Board.	December 2009	Revised IFAD Policy for Grant Financing approved at December 2009 session of Executive Board.[22]
Strategic Framework	Present to the Executive Board a new strategic framework to guide IFAD's activities in the period 2011 onwards.	December 2010	Presented at December 2010 session of Executive Board.[23]

---

[22] EB 2009/98/R.9/Rev.1.
[23] EB 2010/101/R.12.