

Document: EB 2013/110/R.4
Agenda: 4
Date: 29 November 2013
Distribution: Public
Original: English

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Review of the measures and implementation plan for achieving greater efficiency in supporting IFAD's governance

Note to Executive Board representatives

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Executive Board — 110th Session
Rome, 10-12 December 2013

For: Approval

Recommendation for approval

The Executive Board is invited to endorse the recommendation contained in paragraph 25.

Review of the measures and implementation plan for achieving greater efficiency in supporting IFAD's governance

I. Background

1. The Consultation on the Ninth Replenishment of IFAD's Resources (IFAD9) set two targets for cluster 4¹ for the period 2013-2015:
 - (a) a 25 per cent budget reduction; and
 - (b) a 27.8 per cent reduction in staff positions.
2. At the 106th session of the Executive Board, Management presented a paper (document EB 2012/106/R.3) containing a set of broad proposals along the following lines: (a) reduce the overall volume of documentation presented to governing bodies; (b) expand the range of documentation presented to the Board in only one IFAD official language; (c) reduce the range of meetings of governing bodies and their committees for which simultaneous interpretation is currently provided; and (d) introduce other cost reductions associated with the governance cluster. The set of measures proposed, which are consistent with the directions agreed under the IFAD9 Consultation, seek to increase efficiency without undermining the Board's capacity to perform its functions. In addition, these measures are designed to provide a strategic approach to servicing IFAD's governing bodies.
3. The IFAD9 Consultation stated that actions to achieve these targets should be "identified and implemented in close consultation with the Executive Board".² Therefore, Management has been requested to prepare a comprehensive set of proposals for adoption by the Board, pursuant to rule 27 of the Rules of Procedure of the Executive Board, which stipulates that "The Board may, from time to time, consider and prescribe, with a view to its most effective operation, guidelines for the interpretation of speeches and for the translation of proposals, decisions and documents."
4. In discussing document EB 2012/106/R.3, the Executive Board requested that Management follow a phased approach in implementing the proposed measures, to enable the Executive Board to assess the results achieved at the end of 2013 while allowing Management to act, as appropriate, within a medium-term time frame.
5. Accordingly, at the 107th session of the Executive Board, Management presented an implementation plan that took into account the feedback received from Board representatives during the 106th session. It was agreed that Management would undertake a review of the status of measures adopted to date and report back to the Board at the December 2013 session on progress made, together with options

¹ Cluster 4 includes the cost of holding meetings of the governing bodies (Executive Board, Governing Council and subsidiary committees, etc.), and the associated documentation, translation, interpretation and other services. It also includes support services provided by other divisions. The administrative budget of the Office of the Secretary presently accounts for about 83 per cent of cluster 4.

² Document GC35/L.4.

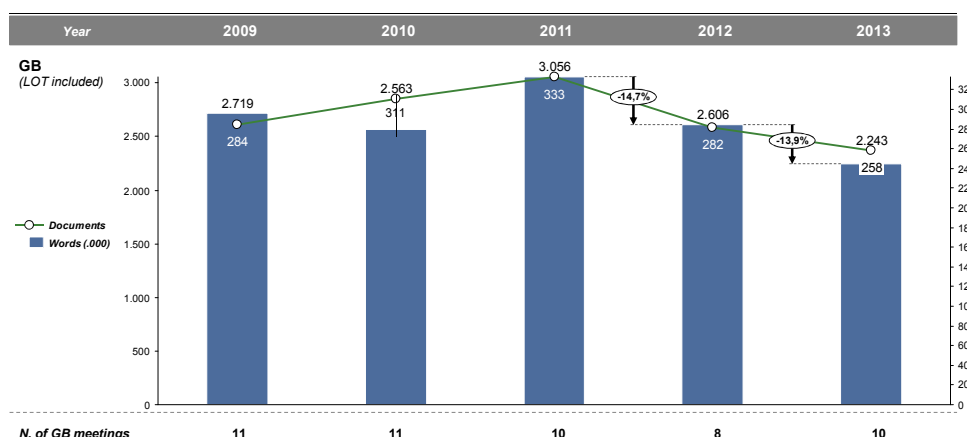
for additional cost-reduction measures to be implemented in 2014 and 2015. Based on the review, the Board could then decide on further actions as appropriate.

6. After an extensive discussion, the Executive Board approved the reduction of document length as set out in paragraph 7(a), points (i) to (x), of document EB 2012/107/R.4, while urging Management to ensure that the substance and quality of the documents were maintained. The Board also requested that the translation of information documents and annexes be discontinued on a trial basis, with representatives being informed beforehand of the documents affected.
7. At the thirty-sixth session of the Governing Council in February 2013, several representatives emphasized the importance of maintaining the principle of multilingualism at IFAD, and specifically language parity, in order to ensure a level playing field for all Member State representatives. Accordingly, they expressed disagreement with any reduction in the translation or interpretation services provided.
8. The Council took note of the President of IFAD's assurance that, as of April 2013, all documents submitted to Executive Board sessions, including annexes and information documents, would be available in all four languages if and when they were presented as Board documents.

II. Review of the measures approved for 2013

9. By the end of the third quarter of 2013, the approved word limits had effectively reduced the length of documents and the associated production costs to the institution. The resulting decline in the volume of work to produce governing bodies documents during the first nine months of the year was approximately 14 per cent compared to previous years. This represents a saving of US\$210,000. It is noted that this amount would have been greater had it not been offset in part by additional costs generated by an increase in the number of Executive Board documents and the continued translation of annexes and information documents.
10. The table below shows the volume of work, measured in number of words, for governing bodies documents during the first nine months of 2013 compared to the same period from 2009 to 2012.

Governing Bodies – Number of Words
first 9 months - from 2009 to 2013



III. Measures to be implemented in 2014 and 2015

11. In order to achieve the required savings by end-2015, and as discussed at the 107th session of the Executive Board, the following measures were to be introduced in 2014 and 2015 along a specific timeline.

2014

- Word limit imposed for policies, strategies and miscellaneous documents, which will continue to be translated into all four official languages;
- No reimbursement of travel expenses to Executive Board representatives for field visits.

December 2014

- The Executive Board is presented with a proposal to amend the By-laws for the Conduct of the Business of IFAD, for submission to the 2015 Governing Council for approval,³ in relation to reimbursement of travel expenses to Board representatives.

2015⁴

- No interpretation services for subsidiary bodies;
- No translation of documents for review by subsidiary bodies;
- No translation of financial documents (with the exception of the budget and financial statements);
- No translation of addenda and corrigenda to projects and programmes;
- No reimbursement of subsistence and travel expenses for Executive Board representatives.

12. With regard to field visits by Member State representatives, the Board approved a new modality for field visits in December 2012⁵ as follows:

“(i) The Board will decide the destination of future annual visits. (ii) Country visits will comprise nine members: four from List A, two from List B and three from List C. (iii) Visits will also be open to participation by Executive Board members who are not members of the Evaluation Committee. (iv) The Lists will decide who should go on behalf of each List. (v) Visits will be fully funded by IFAD and efforts will be made to keep costs low to the extent possible. (vi) A maximum of three additional members of the Executive Board who are not members of the Evaluation Committee would accompany country visits on a self-financing basis. The above new rules for the annual country visit would apply from 2014 onwards.”

Related considerations

13. **Country visits.** Although the Executive Board had called for country visits to be fully funded by IFAD, in the present and foreseeable future budget environment the Office of the Secretary may have difficulty meeting the efficiency targets set if it is to bear this cost.
14. **Fit-for-purpose approach.** In view of the strong opposition by some Member States to reducing the level of interpretation and translation provided, as noted in paragraph 7, a different approach to reducing the volume of work is proposed: the fit-for-purpose approach. The guiding principle adopted by other international organizations facing budget constraints in the current global environment is

³ Section 5 of the By-laws relates to the reimbursement of travel and per diem allowance to representatives attending an Executive Board session.

⁴ Implementation of these measures is not planned until 2015, to coincide with the election of Executive Board members and alternate members by the Governing Council in February 2015, thereby providing Member States with lead time to prepare for the new working environment for Board proceedings.

⁵ Minutes of the 107th session of the Executive Board (EB/107/Rev.1).

suitability for purpose, spanning the conceptual gap between seeing what is needed and doing what is deemed best. When applied systemically to a varied workflow, this is a viable way of using translation and revision resources intelligently. The fit-for-purpose principle is an invaluable yardstick against which to balance risks and resources. With this in mind, and considering that information may now be easily made available in real time on the IFAD website and external platform, Management proposes that selected documents currently submitted at each Board session – namely, reports on the status of contributions,⁶ on the status of arrears⁷ and on planned project activities,⁸ and lists of projects/programmes approved under the lapse-of-time procedure⁹ (LOT) – be presented henceforth to only one Board session per year in order to allow representatives to discuss and take decisions where necessary. Updated information, however, will be made available on the IFAD website and Member States platform prior to each Board session and Board representatives will be duly notified thereof. Notwithstanding the foregoing, the information provided may at any time be included for discussion on the agenda of a Board session upon the request of a Board representative.

In addition, it is proposed that the list of Executive Board documents (and their associated dispatch dates), which is currently submitted at each Board session, be made available henceforth only on the IFAD website and Member States platform.

15. **Annexes.** As mentioned in paragraph 8 above, savings in 2013 would have been greater had annexes not been translated as planned. Given the decision to continue translating annexes taken at the thirty-sixth session of the Governing Council and in recognition of language parity, word limits will be introduced also for this category.

Revised measures

16. In view of the foregoing, in order to uphold the principle of language parity and ensure a level playing field for all Member States, the measures to be implemented would be revised as follows:

2014

- Word limit imposed for the following documents, which will continue to be translated into all four official languages:
 - Policies: 5,000 words, equivalent to approximately 14-16 pages;
 - Strategies: 5,000 words, equivalent to approximately 14-16 pages;

⁶ Governing Council resolution 166/XXXV on the Ninth Replenishment of IFAD's resources provides as follows:

XI. Reporting to the Governing Council

The President shall submit to the thirty-sixth Governing Council session and subsequent sessions of the Governing Council reports on the status of commitments, payments, borrowing and other relevant matters concerning the replenishment. The reports shall be submitted to the Governing Council together with the Executive Board's comments, if any, and its recommendations thereon.

XII. Review by the Executive Board

(a) The Executive Board shall periodically review the status of contributions under the replenishment and shall take such actions, as may be appropriate, for the implementation of the provisions of this resolution.

(b) If, during the replenishment period, delays in the making of any contributions cause or threaten to cause a suspension in the Fund's lending operations or otherwise prevent the substantiate attainment of the goals of the replenishment, upon the request of the Executive Board the Chairperson of the Governing Council may convene a meeting of the Consultation established by resolution 160/XXXIV (2011) to review the situation and consider ways of fulfilling the conditions necessary for the continuation of the Fund's lending operations or for the substantial attainment of these goals."

⁷ Paragraph 2 of Governing Council resolution 106/XXI on IFAD's policy framework for managing partnerships with countries in arrears provides that "The President of IFAD shall report periodically to the Executive Board on the arrears of the borrowers to the Fund".

⁸ At the second session of the Executive Board (1978), it was agreed that information on planned project activities would be presented to the Board regularly to enable representatives to keep abreast of IFAD's project/programme pipeline and prospective lending and, should they so desire, to comment on planned operations at an appropriate stage of the development cycle (EB/2).

⁹ When the Executive Board approved the establishment of the lapse-of-time procedure in December 2009 (EB/98/Rev.1), it was agreed that all projects/programmes approved through this procedure would be reported to the subsequent session of the Board.

- Annexes: 2,000 words, equivalent to approximately 4-6 pages;
 - Miscellaneous documents: 2,000 words, equivalent to approximately 4-6 pages.
- The fit-for-purpose approach is introduced for the following Executive Board documents: status of arrears, status of contributions, planned project activities, and list of projects/programmes approved under the LOT procedure.¹⁰ These documents will be submitted henceforth to only one Board session per year. Updated information, however, will be made available on the IFAD website and Member States platform prior to each Board session and Board representatives will be duly notified thereof. Notwithstanding the foregoing, the information provided may at any time be included for discussion on the agenda of an Executive Board session upon the request of a Board representative.
 - The fit-for-purpose approach is also introduced for the list of Executive Board documents (and their associated dispatch dates). This list will be available henceforth only on the Member States platform and the IFAD website.

December 2014

- The Executive Board is presented with a proposal to amend the By-laws for the Conduct of the Business of IFAD, for submission to the 2015 Governing Council for approval,¹¹ in relation to reimbursement of travel expenses to Board representatives.

2015¹²

- The provision of interpretation services for subsidiary bodies is revisited following the election of Executive Board members and alternate members by the Governing Council in February 2015;
- No reimbursement of subsistence and travel expenses for Executive Board representatives.

IV. Other process efficiencies

17. **Cost-recovery arrangements.** The magnitude of the targets set implies at least a 50 per cent reduction in the volume of documentation edited and translated for the Executive Board. To this end, the imposition of strict word limits – differentiated by document category – is necessary, and is already in effect.
18. In addition, adherence to deadlines for document delivery is critical, in order to allow for rational planning and avoid the cost overruns associated with late submission. Accordingly, Management is considering introducing a system to recover costs from non-compliant document originators. By providing incentives for a more orderly process of document preparation, this system would both improve timeliness and result in lower costs to the organization.
19. **Modernization initiative.** In response to -member-driven demand for greater accessibility of information and improved communications with Member States, over the past two years Management has offered improved services and streamlined internal procedures for document preparation to ensure timely dispatch and distribution.
20. With the dual objective of introducing further improvements while ensuring efficient and effective resource use in servicing governing bodies, a modernization proposal is in preparation, under which internal workflows will be streamlined further to

¹⁰ Additional documents identified, if any, will be submitted for approval to the Executive Board prior to introduction of the fit-for-purpose approach.

¹¹ Section 5 of the By-laws relates to the reimbursement of travel and per diem allowance to representatives attending an Executive Board session.

¹² See footnote 4.

reduce delays in document submission, in-session tools will be adopted such as on-line consultation of documents in the meeting room, streaming of governing bodies sessions, and other functionality to facilitate decision-making processes.

21. This initiative represents IFAD's contribution to the PaperSmart initiative currently being implemented throughout the United Nations system, and will allow IFAD to become a leading example of effective implementation of the PaperSmart approach.

V. Financial implications

22. The financial impact of the measures planned in 2013 was already reflected in the 2013 programme of work and budget of the Office of the Secretary (US\$810,000). Moreover, as mentioned in paragraph 9, the implementation of the approved measures for 2013 has produced an extra saving of US\$210,000.
23. As well as the efficiencies realized in 2013, the Office of the Secretary budget submission for 2014, after absorbing US\$197,000 in salary increases resulting from the job audit exercise, includes approximately US\$140,000 in additional savings.
24. Further savings can be expected, subject to the successful implementation of the measures proposed. Implementation of all the measures will make a significant contribution to meeting the IFAD9 targets for cluster 4 by the end of 2015.

VI. Conclusion

25. The Executive Board is invited to approve the proposed revised measures contained in paragraph 16, as the basis for achieving the IFAD9 targets set for cluster 4 relating to the costs for the effective and efficient functioning of IFAD's governing bodies.
26. Management will provide a review of the status of measures adopted at the 2014 December Board session.