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Investing in rural people

Information Note - Operational Excellence For Results (OpEx) Exercise

Note to Executive Board representatives

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For: **Information**

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Abbreviations and acronyms

ADM	Administrative Services Division
AVP	Associate Vice-President
BOD	Office of Budget and Organizational Development
CDI	Change, Delivery and Innovations Unit
CPM	country programme manager
DoA	delegation of authority
ECD	Environment, Climate, Gender and Social Inclusion Division
ERG	External Relations and Governance Department
FMD	Financial Management Services Division
FSU	Field Support Unit
GEM	Global Engagement and Multilateral Relations Division
GS	General Service
HRD	Human Resources Division
ICO	IFAD Country Office
IFI	international financial institution
KM	knowledge management
OpEx	Operational Excellence for Results
OPR	Operational Policy and Results Division
OPV	Office of the President and Vice-President
PCN	project concept note
PoLG	programme of loans and grants
PMD	Programme Management Department
PMI	Sustainable Production, Markets and Institutions Division
QAG	Quality Assurance Group
RIA	Research and Impact Assessment Division
SKD	Strategy and Knowledge Department
SSTC	South-South and Triangular Cooperation

Information Note: Operational Excellence For Results (OpEx) Exercise

I. Introduction

1. The Consultation on the Eleventh Replenishment of IFAD's Resources (IFAD11), which concluded in February, set the strategic direction for the 2019-2021 period and beyond. The exercise highlighted that the agricultural sector and development of rural areas are essential for delivering on the 2030 Agenda for Sustainable Development (2030 Agenda). Consequently, IFAD's mandate of promoting inclusive and sustainable rural transformation plays a key role in achieving the 2030 Agenda ambition of "leaving no one behind". The Consultation supported a rigorous programme of business model enhancements to promote excellence in operations, value for money and a commitment to transparency, accountability and results.
2. IFAD aims to meet the IFAD11 commitments and the goals of the 2030 Agenda through a programme of loans and grants (PoLG) of US\$3.5 billion – a 10 per cent increase over the IFAD10 PoLG. This entails scaling up operational capacity through a comprehensive programme of reforms aligned with the ongoing reform of the United Nations system. The reform efforts focus on four strategic areas of business model enhancements endorsed during the IFAD11 Consultation process:
(i) a re-engineered country-based model; (ii) a headquarters that is fit for purpose; (iii) more delegation to the frontlines; and (iv) recalibration of business processes.
3. Once achieved, these reforms will improve the quality of delivery, rates of disbursement, country-level policy engagement and overall partnership-building. These changes will enable IFAD to increase its outreach from almost 100 million poor rural people today, to 120 million by the end of 2021. Furthermore, they will allow IFAD to achieve greater impact across a range of Sustainable Development Goals, from improved incomes, resilience and nutrition to increased agricultural production and market access.
4. The Operational Excellence For Results (OpEx) exercise is more than a task to implement decentralization and its reforms. It is an opportunity to systematically embed a culture of change and enhanced delivery at IFAD. As a result, Management aims to establish a Change, Delivery and Innovation (CDI) unit within the organization. This proposed new unit will play a key role in ensuring reforms are sustained, monitored and strengthened moving forward, building upon the foundation it has established.
5. This note reports on the progress of the OpEx exercise. Updates on OpEx were also presented to the Executive Board in September 2017 and April 2018; this note provides further updates on: (i) decentralization; (ii) other reform areas; and (iii) outlook.

II. Decentralization

6. Since April, progress has been made on assigning and relocating staff to IFAD Country Offices (ICOs) according to the new decentralized map (see graphic 1 below). The map increases "firepower" on the ground and ensures delivery teams, regional hubs and ICOs are fully operational and ready to support country directors in their new role of performing both programmatic and non-lending activities. This will enable IFAD to be closer to the rural areas it serves, strengthen policy engagement and partnership-building, and support overall project performance.
7. Relative to 2017, staff positions in the field funded by the regular budget have been increased from 106 to 189 (see annex I for breakdown by location). Relative to overall staff, this represents an increase of positions in the field from 18 per cent to 30 per cent.
8. To do this, 34 new staff positions in operations were created in the 2018 strategic workforce plan. The increase in field staff will be offset by reductions in redundant positions. Most of these are at headquarters as some functions have been transferred to ICOs. Ten positions have already been abolished and 19 additional positions are planned to be abolished; the staff members currently filling such positions will be addressed through measures such as redeployment, natural attrition, retirement or voluntary separation.

Reassignment exercise

9. A reassignment exercise to ensure appropriate staffing across ICOs commenced at the end of January and was completed in early June. It was an extensive and rigorous exercise involving multiple departments, a reassignment panel with an external chairperson, and the IFAD Staff Association. Information was provided to staff throughout the exercise through open forums, one-on-one meetings, career orientation sessions, coaching, blog updates and other means.
10. During the reassignment exercise (see graphic 2 for a visual representation), a total of 114 positions were open for reassignment, including 90 in ICOs and 24 in headquarters. Of the 114 positions included, 98 were filled (74 in ICOs, 24 in headquarters), with 83 staff assigned to one of their three listed preferences and eight staff requesting reconsideration. With regard to the staff requesting reconsideration, four decisions were confirmed (of these four, one person resigned and one went on loan to another organization with Management's approval), two won competitive processes for positions outside the reassignment process, one was temporarily assigned to a different post, and one request was accommodated via assignment to a different duty station.
11. The 16 unfilled positions became part of a broader list of 52 vacancies in operations, which are now being advertised and for which recruitment has begun. The list includes 24 national officer positions, 21 international Professional positions, and 7 General Service (GS) field positions; 48 of these 52 vacancies are located in ICOs or Regional Hubs.

GRAPHIC 1: New decentralized map

- ★ IFAD headquarters
- IFAD Country Office
- ⊙ Regional Hub
- ⊙ Regional Hub (planned)
- ⦿ Regional South-South and Triangular Cooperation (SSTC) and Knowledge Management (KM) Centre
- ▲ Satellite office



METRICS TO DETERMINE APPROPRIATE STAFFING IN ICOs

Country directors/country programme managers (CPMs) in a Regional Hub serve, on average

Maximum of **3 countries**

And/or a portfolio of **US\$300 million** (IFAD-managed financing)

Maximum of **6 projects**

And/or **US\$600 million** of total financing

For every five countries

One P-3 programme officer per region

Each Regional Hub and Regional SSTC and Regional KM Centre

Is headed by a P-5

Each Regional Hub and Regional SSTC and KM Centre has

One country operations analyst and one local GS staff member

Every Regional Hub that serves eight or more countries has

An additional country operations analyst

Each Regional Hub and ICO

Has one country programme officer

Each country director/CPM-led ICO

Has one local G-5 staff member

ICOs

12 Regional Hubs and 3 SSTC and KM Centres are headed by a P-5

10 ICOs are headed by a P-5 or P-4 staff member, depending on portfolio complexity

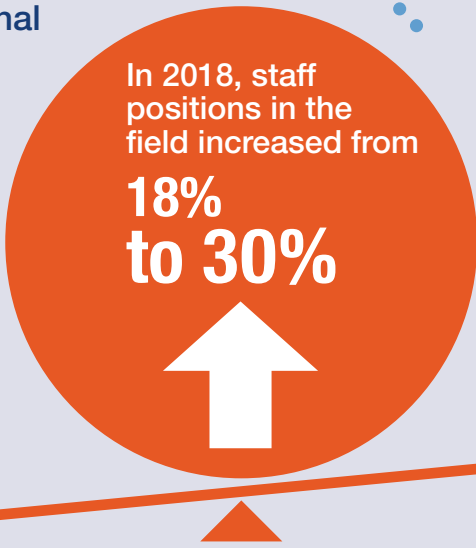
15 ICOs are led by country programme officers

12. The reassignment exercise served the dual purpose of increasing IFAD's presence on the ground while also supporting staff mobility. Of the 98 staff who were reassigned, 15 per cent were assigned to higher-level posts, 5 per cent to lower-level posts, 26 per cent will change division, and 62 per cent will change duty station, with 47 per cent relocating specifically from headquarters to the field.
13. The exercise also confirmed the retention of a cadre of global technical specialists at headquarters as anchors for technical expertise across the regions. This will ensure knowledge-sharing, best practice exchange and coordination at the global and thematic levels.
14. Of the staff reassigned to ICOs, almost all will relocate by the end of 2018. This is a significant transition that requires coordination across many functions and careful attention to the impact of change on staff and their families.
15. To address this, the Field Support Unit (FSU) is holding individual briefings with each staff member and the Human Resources Division (HRD) is providing both medical and counselling services to staff and their families. FSU and HRD are also coordinating closely as part of a cross-departmental tactical working group to track and mitigate any issues that may impact staff relocating to the field.
16. The ability of new and enhanced ICO teams to adapt quickly to change is critical to implementing the roll out of decentralization and ensuring business continuity. The FSU is therefore upgrading existing ICOs and, where necessary, identifying new offices to accommodate more staff and upgrade facilities. Management is also taking action to ensure tools, training, support mechanisms and incentives are in place for the new country teams.
17. Appropriate training is being provided by the IFAD Operations Academy, which offers technical and non-technical training for staff to prepare for working within IFAD's new business model. As one example, from 3 to 6 July, the Operations Academy offered a second session of "Module 1: Operationalizing IFAD's Decentralization Plan and Managing IFAD Country Offices for Greater Impact". The module was a repeat of a successful session held in April. It provided staff who were being decentralized with information on how to manage and work in an ICO. Thirty-four CPMs, country programme officers, technical specialists and other international staff participated.
18. On 3 July, Management attended a separate one-day "Operations Academy on Change Management" to acquire tools and skills to guide and support their teams through the ongoing change and reform process.

GRAPHIC 2: Decentralization

Increasing IFAD's "firepower" on the ground and operational ability to achieve results

- Planned ICOs consolidated from 50 to 40
- Increases in field staff offset by reductions as functions are streamlined or transferred
- 10 positions already abolished
- 19 additional positions planned to be abolished by end of 2018

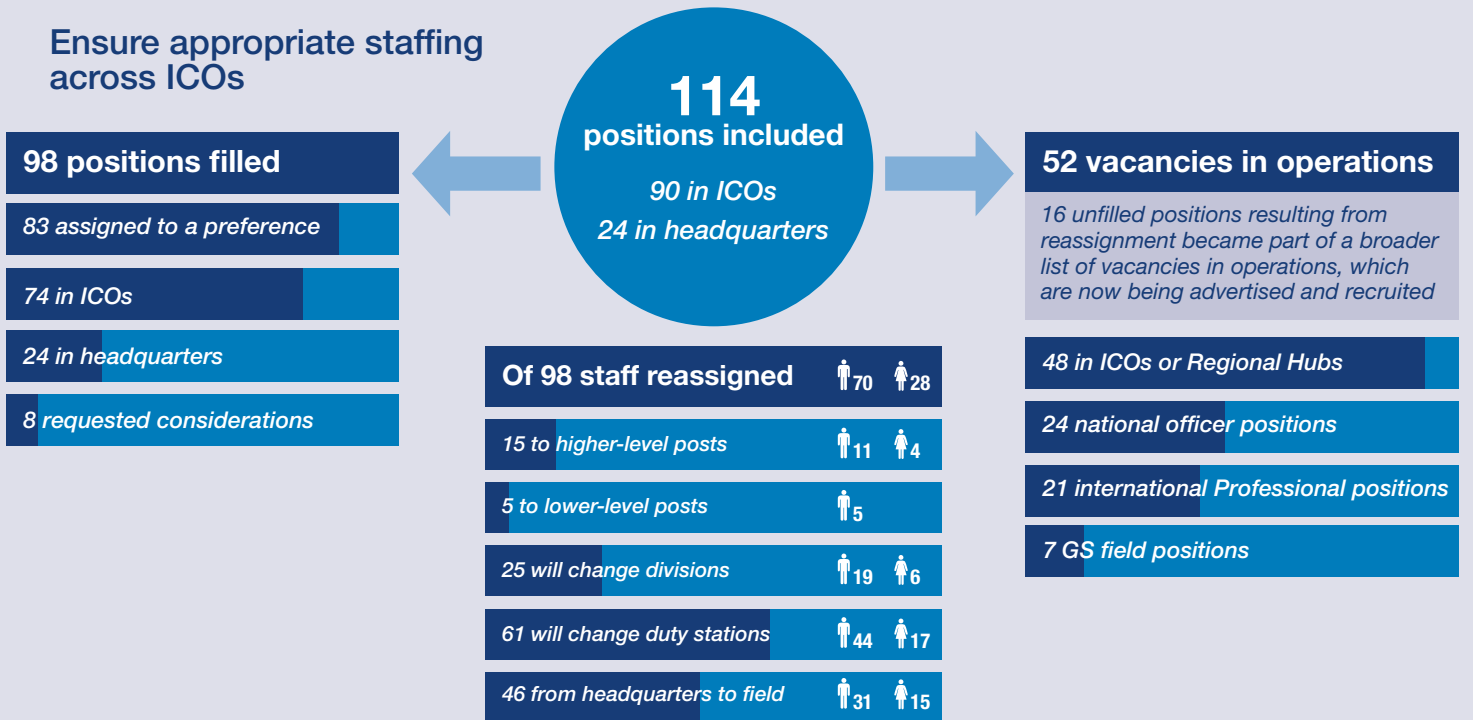


- 34 new positions created
- Country director/CPM positions increased from 46 to 53
- 10 new technical positions, 8 of which are national
- One senior procurement officer per region and one lead P-5

Reassignment exercise



Ensure appropriate staffing across ICOs



Operations Academy Change management training IFAD11 business model training	Field Support Unit Individual briefings with staff members Upgrade existing ICOs Identify new ICOs	Human Resources Division Medical and counselling support for staff and their families	Management Actions to ensure tools, training, support and incentives are in place
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Ongoing work to provide staff training, prepare ICOs and provide staff support

All numbers are regularly funded positions

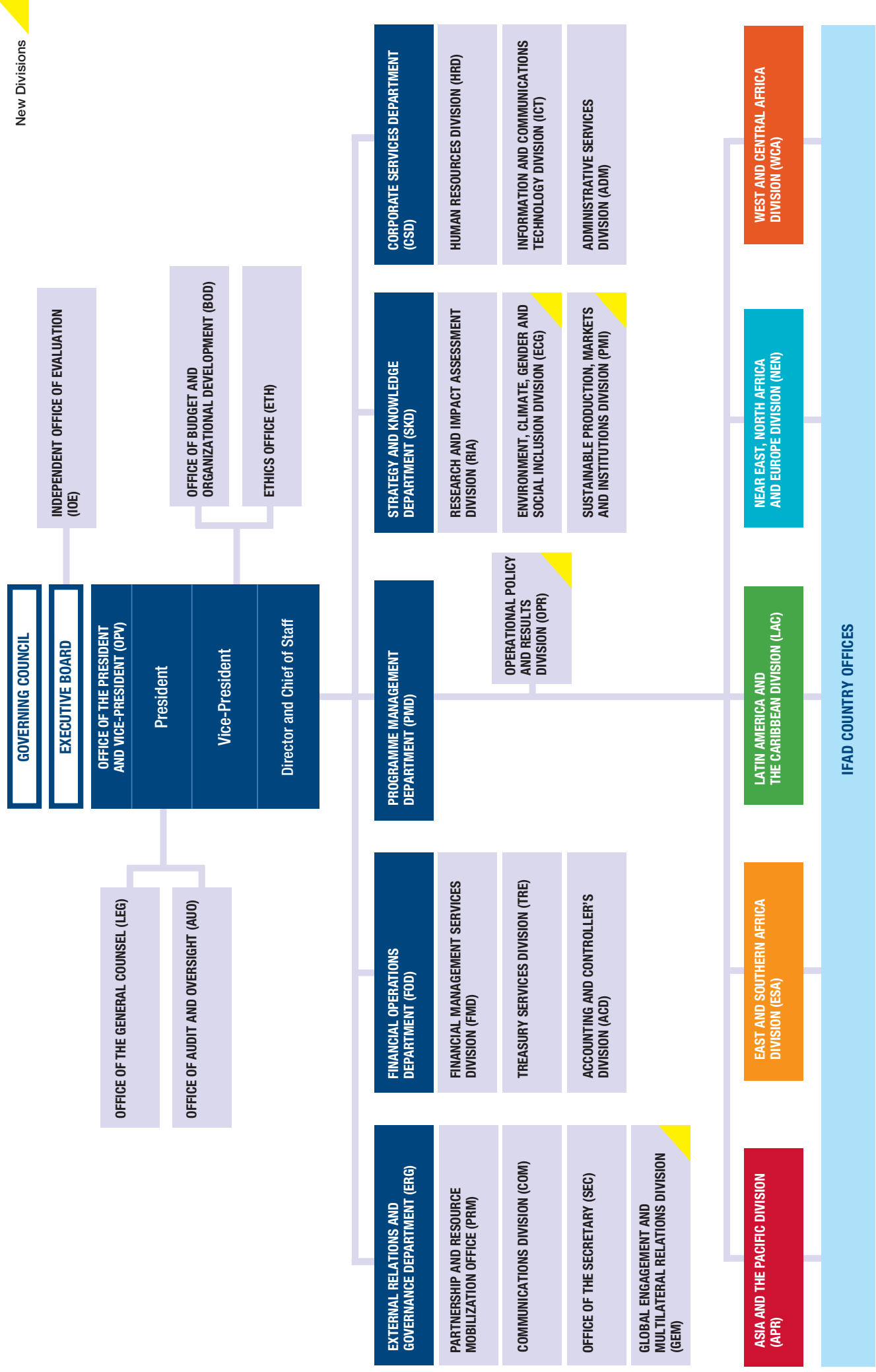
III. Other reform areas

19. Beyond the work of decentralization, reform progress since the last update has focused on four areas:
- (i) Revising organizational structure;
 - (ii) Recalibrating IFAD's project design process;
 - (iii) Revising delegation of authority; and
 - (iv) Preparing for the review of non-operations (non-ops).

A. Revising organizational structure

20. Taking into account a more decentralized business model, Management has focused on the following aspects when considering changes to the organizational structure:
- (i) Ensuring delivery teams (teams working in the field) are organized to support country directors in their new role of performing both programmatic and non-lending activities. Placing an enhanced focus on country-level non-lending activities, particularly policy engagement and partnership-building, is critical to enhancing impact and results.
 - (ii) Managing knowledge adequately in a decentralized environment. Although decentralization generates many benefits, it also increases the risk of creating silos across different geographical areas which could impact the attainment of corporate targets and standards.
 - (iii) Defining appropriate checks and balances to clarify what needs to be reviewed and by whom; ensuring clear segregation between performing and checking.
21. After consideration of these aspects, Management issued a new organizational structure (see graphic 3) on 1 April 2018 with the following changes:
- (i) Operations have been strengthened by realigning technical and mainstreaming functions into a reconfigured Strategy and Knowledge Department (SKD). SKD now encompasses: a front office; the existing Research and Impact Assessment Division (RIA); the new Environment, Climate, Gender and Social Inclusion Division (ECG) focusing on cross-cutting themes (i.e. climate, youth, gender and nutrition) and indigenous peoples; and the new Sustainable Production, Markets and Institutions Division (PMI) for technical support.
 - (ii) A new Operational Policy and Results Division (OPR) was created to consolidate and strengthen oversight of operational policies, procedures, training, compliance, performance and results. OPR also manages IFAD's self-evaluation architecture and allocation system and coordinates the drive for enhanced transparency and reporting.
 - (iii) A new Global Engagement and Multilateral Relations Division (GEM) was created within the External Relations and Governance Department (ERG) in order to consolidate global engagement activities, including South-South and Triangular Cooperation and Rome-based agency collaboration.
 - (iv) Within existing divisions, field security functions have been consolidated into one unit reporting to the Administrative Services Division (ADM), and the annual corporate planning function has been reallocated to the Office of Budget and Organizational Development (BOD).

GRAPHIC 3: NEW IFAD ORGANIZATION CHART



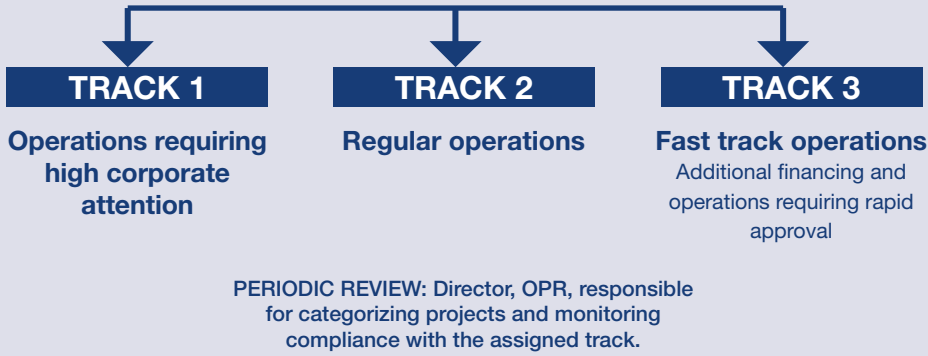
B. Recalibrating IFAD's project design process

22. The recalibration of business processes to fit IFAD's new decentralized structure is a key focus of the reform work. Due to the importance of project design, OpEx focused first on making enhancements to this key process that will improve the quality of delivery and development effectiveness. Currently, the average time from project concept to Board approval is 17 months, followed by an additional 17 months between project approval and first disbursement. As part of IFAD11, Management has committed to reducing these times to 8 and 12 months respectively.
23. In May and April 2018, the OpEx team led a cross-divisional technical working group to develop a proposal for a recalibrated project design process. The group's proposal was approved and a President's bulletin on the new process was published in June. The new process reduces project approval and disbursement times while increasing overall quality (see graphic 4). The main changes are:
 - (i) A reduction in the number of mandatory review meetings (from up to 7 to 2);
 - (ii) Introduction of a risk-based approach to project reviews and approvals based on project risk, complexity and strategic importance with differentiated involvement from Senior Management;
 - (iii) Enhanced responsiveness to borrowers through fast-track processing (three months) of additional finance for scaling-up or to fill a financing gap, and for operations requiring rapid approval (e.g. emergency operations);
 - (iv) Project delivery teams reinforced with technical staff delivering projects to the Executive Board and following projects during implementation to ensure high quality throughout the project cycle;
 - (v) Enhanced quality through: (a) frontloading inputs from quality enhancement (technical peer reviews) and arm's length quality assurance (from the Quality Assurance Group [QAG]); and (b) use of a development effectiveness matrix to assess quality of project design throughout the review process;
 - (vi) Streamlined project concept note (PCN) and project design report templates with fewer mandatory annexes and a greater focus on implementation readiness, theory of change and results; and
 - (vii) Early government engagement ensured to promote country ownership in project design, including by specifying in the PCNs who the responsible government counterparts are and how government participation, beyond project design, will be funded.
24. The new process is now effective for projects classified under track 3 (see graphic 4 for explanation). For track 1 and 2 projects, those going to the Executive Board in 2019 and onwards will follow the new process and use the new template, though the old template will still be allowed until 30 September 2018. For track 1 and 2 projects going to the Executive Board in September and December 2018, the current process will be observed.
25. Management and staff are now being trained on the new, recalibrated process and its procedures. In July, Management attended a dedicated event at the Operations Academy and the OpEx team presented the process to the PMD Management Team.

GRAPHIC 4: Recalibrating IFAD's project design process

New project review process

Each project financed by IFAD is assigned to one of three "tracks" which will determine the appropriate review and approval process.

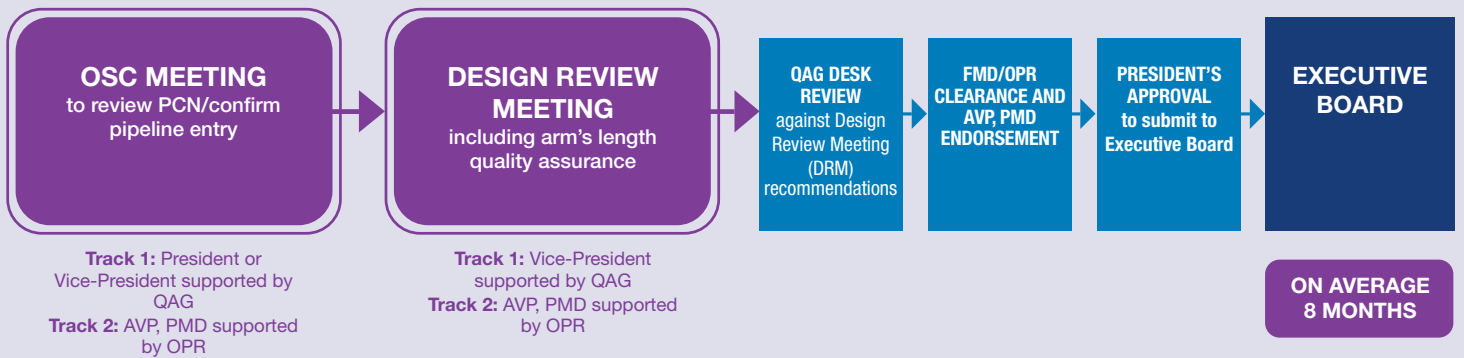
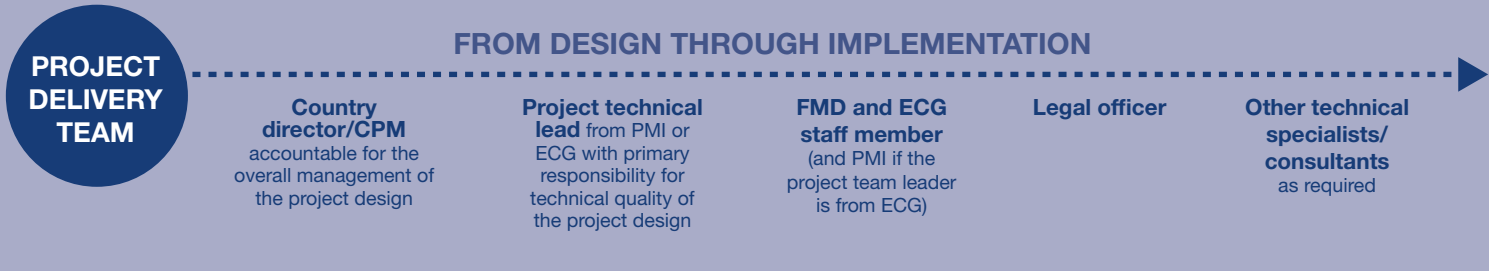


Benefits

- ✓ Fastest possible process
- ✓ High quality ensured
- ✓ Focus on implementation readiness
- ✓ Appropriate involvement of Senior Management and directors for risk management purposes

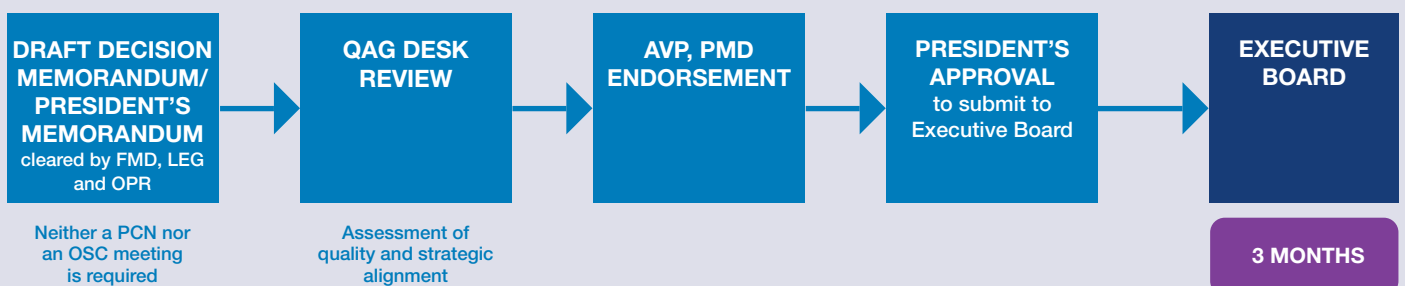
TRACKS 1 AND 2

FROM DESIGN THROUGH IMPLEMENTATION



Development effectiveness matrix to assess quality

TRACK 3



C. Revising delegation of authority

26. Decentralization must be accompanied by an appropriate delegation of authority (DoA) and accountability. As part of IFAD11 commitments, Management agreed to revise the entire DoA framework to devolve greater responsibility to lower levels of Management (both in operations and non-operations) and to ICOs. These changes will be accompanied by a rigorous analysis to ensure appropriate checks and balances are in place to support devolved responsibility.
27. The OpEx team is now working with an external expert with IFI experience to review and revise all 11 chapters of the existing DoA framework and to examine appropriate mechanisms to monitor actions performed under delegated authority. Management plans to share the new framework with the Executive Board during an informal session in October.
28. In parallel, the OpEx team is also revising DoA for high-priority items. The team engaged outposted country directors and CPMs to identify items that require immediate delegation to ICOs. The group identified budget holder authority, hiring of consultants, duty travel approval and low-value procurement. ICT is working on adjusting systems to accommodate these needs and to embed appropriate controls into the enterprise resource planning (ERP) system.

D. Preparing for the review of non-operations (non-ops)

29. Following the completion of work to realign operational divisions to a decentralized structure and business model, in July 2018, the OpEx team began a review of non-operational (non-ops) areas (see graphic 5). The goal of the review is to ensure that these areas are fit for purpose to support a decentralized environment and IFAD's new business model. The review will also identify opportunities to streamline support services and enhance overall institutional effectiveness and efficiency.
30. The review focused first on urgent items that can be addressed immediately:
 - (i) Harmonization of front office support: A metrics-based approach will be used to determine the level of staff needed to support department heads and directors in their day-to-day management activities (budgets, human resources, travel, meetings, etc.). The aim is to align numbers and grades of GS staff in front offices with the volume and complexity of their functions, and to identify potential savings in support of a headquarters that is fit for purpose. Once the analysis is complete and Management approves the metrics, the OpEx team will communicate and implement changes.
 - (ii) Implementation of recent independent reviews: Both HRD and the Office of the President and Vice-President have engaged independent reviewers to identify ways to streamline processes and functions. The review of HRD is focused on how HRD could be better prepared to support transformation and IFAD11 commitments, while the OPV review is focused on internal workflow and oversight structures. The OpEx team plans to partner with HRD and OPV to implement approved recommendations starting in September.
31. In parallel, the OpEx team has started to review areas of greater complexity that require a longer-term approach. Work commenced at the end of July 2018 to identify options for ensuring fit-for-purpose in ERG and the Corporate Services Department beyond HRD, to enhance service in a decentralized organization. Work is due to complete in September to allow for key elements to feed into the final budget.
32. Once these areas of the review are complete, OpEx will shift its focus over the remainder of the year to examining remaining departments (Financial Operations Department beyond FMD and Corporate Support Services Group) and key business processes such as travel and consultant management. These processes have been highlighted in staff surveys and independent reviews as areas for efficiency gains.

GRAPHIC 5: Review of non-operational areas

Timeline

JULY 2018

Q3 2018

Q4 2018

Q1 2019

Phase 1

i Urgent items that can be addressed immediately

- Initial results of OPV and HRD independent reviews
- Harmonize front offices, commence voluntary separation programme and plan for 2018 position abolishment

Phase 2

i External consultant to review areas of greater complexity that require a longer-term approach

- Review corporate services focusing on ICOs (e.g. ADM, FSU)
- Review ERG to streamline and integrate new department's functions and processes
- Review and strengthen communications support to ICOs

Phase 3

i Examine core, non-ops business processes highlighted in both staff surveys and previous independent reviews as key areas for efficiency gains

- Review other corporate service areas within CSSG and FOD
- Business process review of core non-ops processes (e.g. consultant management, travel, human resources processes identified in review)

IV. Outlook

33. Relative to the OpEx implementation plan, reform activities are progressing as expected. The impact of change on staff is significant and continues to require attention and support. Management expects 2019 to be an important year for consolidating changes while the organization adjusts to new processes and ICO configurations, but by 2020 tangible results should be evident in programme delivery, policy dialogue and efficiency gains.
34. To provide the Board with the outlook for reform activities, this section is divided into:
 - (i) Next steps on OpEx work streams;
 - (ii) Key performance indicators;
 - (iii) Budget usage; and
 - (iv) Risks.

A. Next steps on OpEx work streams

35. As described in this note, over the remainder of 2018 Management and the OpEx team will focus on:
 - (i) Supporting decentralized staff, ICO teams and operations staff in adjusting to changes, including implementing revisions to the DoA framework and putting into place the new project design process;
 - (ii) Completing the non-ops review and initial examination of core non-ops business processes to ensure effective and efficient support to decentralized offices and streamlined headquarters functions; and
 - (iii) Consolidating changes through training, support mechanisms and the establishment of the Change, Delivery and Innovation unit.
36. The Operations Academy will be a key partner in all three areas. The next module of the Operations Academy will focus on supporting decentralized staff in understanding the new IFAD11 business model and its associated roles and processes. The module will be delivered five times in the field between September and December (one offering for each region), with participation from all decentralized staff.

B. Key performance indicators

37. Management is tracking the results of reform actions to tangible and measurable improvements through key performance indicators (KPIs). The importance of identifying KPIs to assess the progress of the OpEx exercise was highlighted during the informal seminar of the Executive Board in October 2017. As a result, Management has prepared a high-level results chain linking reform activities and outputs to IFAD11 commitments and the Results Management Framework (see annex III).

C. Budget usage

38. As part of the 2018 budget, a one-time and capital budget of US\$9.65 million was approved for the OpEx exercise. This budget was requested for the following: establishment of new ICOs and upgrade of existing ICO facilities to support a larger decentralized complement; provision for the one-off increase due to staff reassignment to ICOs over and above the normal recruitment/relocation budget; provision for the backfilling of staff working on the OpEx exercise; engagement of external consultants with expertise in IFI reorganization and change management; staff training; voluntary separation costs; and capital costs associated with IT system enhancements.
39. A summary of the budget and its current utilization is set out in annex II. The increase in utilization since March 2018 reflects the fact that work has commenced on the systems changes required for immediate delegation of authority needs.
40. The current utilization also reflects that:
- (i) Management has put in place a rigorous set of principles and controls to access OpEx budget;
 - (ii) Certain OpEx budget lines will only be used when the regular budget allocation within the regular budget is fully utilized. For example, the regular budget includes an allocation for normal relocation costs and the one-time OpEx budget will only be used after this allocation is fully used; and
 - (iii) One-time budgets associated with the voluntary separation programme and non-ops business process will only occur during or after the fourth quarter in 2018.

D. Risks

41. The key risks of the OpEx and their mitigating actions are represented in the table 1 on the following page.

Table 1. Key risks and mitigating actions

Risk	Mitigating action
<p>Business continuity risk due to disruption arising from extent of changes. Specifically, the capacity to continue delivering the programme of work during the change process is a risk.</p>	<ul style="list-style-type: none"> • IFAD11 commitments and the RMF tracking system are in place and are monitored actively by the Executive Management Committee. • Specific measures are in place to ensure business continuity does not become an issue, including: <ul style="list-style-type: none"> - The Operations Academy curriculum is being strengthened to cover staff training needs. - Additional resources have been advanced from the midyear review budget exercise to ensure that operations have appropriate funding to deliver during change. - Teams of IFAD staff will be created and deployed to support colleagues in taking up duties and setting up Regional Hubs. These teams will be composed of: (i) senior and experienced operational staff to support CPMs; and (ii) support staff to help with getting up to speed on immediate delegation of authority needs and other areas.
<p>Ensuring staff buy-in for the overall objectives of the exercise is key to a successful outcome. Without staff buy-in the reform agenda will not result in increased operational capacity.</p>	<ul style="list-style-type: none"> • Strong leadership from Senior Management. • Strong leadership and engagement from Middle Management in communicating changes to staff and supporting them in transitions. • Ensuring that staff are involved in all aspects of the exercise (including all staff events, participation in focus groups to review specific technical areas etc.).
<p>Risk of not meeting extensive demand for communication flows in relation to the IFAD reform agenda may undermine the outcome of the exercise.</p>	<ul style="list-style-type: none"> • Dedicated communications support has been provided to the OpEx team. • A communication strategy has been devised and put in place and is constantly assessed by Management.
<p>Failure to achieve the correct balance between speed of project implementation and required transformational and cultural change has been raised as a risk.</p>	<ul style="list-style-type: none"> • Constant monitoring to ensure that the correct balance is being achieved.

Annex I. Staff positions funded by regular budget – by location

Division	Regional Hub	Country	City	2017 Total	2018 Total
APR	East Asia Regional SSTC and KM centre (Beijing)	Afghanistan	Kabul	1	0
		China	Beijing	4	5
		Pakistan	Islamabad	1	2
	Mekong Hub (Hanoi)	Cambodia	Phnom Penh	1	1
		Lao People's Democratic Republic	Vientiane	1	1
		Myanmar	Naypyidaw	1	0
		Philippines	Manila	2	3
	South Asia Hub (Delhi)	Viet Nam	Hanoi	4	9
		Bangladesh	Dhaka	1	2
		India	New Delhi	5	13
		Nepal	Kathmandu	1	1
		Sri Lanka	Colombo	1	0
		South East Asia and Pacific Hub (Jakarta)	Fiji	Suva	1
	Indonesia		Jakarta	4	6
ESA	African Union Regional SSTC and KC (Addis Ababa)	Ethiopia	Addis Ababa	3	5
	Eastern Africa and Indian Ocean Hub (Nairobi)	Burundi	Bujumbura	3	2
		Kenya	Nairobi	10	20
		Madagascar	Antananarivo	1	1
		Rwanda	Kigali	1	1
		United Republic of Tanzania	Dar es Salaam	3	3
	Uganda	Kampala	2	1	
	Southern Africa Hub (Johannesburg)	Malawi	Lilongwe	0	0
		Mozambique	Maputo	3	2
		South Africa	Johannesburg	0	8
Zambia		Lusaka	2	1	
LAC	Andean and Southern Cone Hub (Lima)	Bolivia (Plurinational State of)	La Paz	1	1
		Peru	Lima	4	10
	Brazil Regional SSTC and KM centre (Brasilia)	Brazil	Salvador and Brasilia	0	2
	Mesoamerican and Carribean Hub (Panama City)	Guatemala	Guatemala City	2	3
		Panama	Panama City	0	12

Annex I. Staff positions funded by regular budget – by location (continued)

Division	Hub	Country	City	2017 Total	2018 Total
NEN	Central Asia and Eastern Europe Hub (Istanbul)	Turkey	Istanbul	2	11
	IFAD headquarters (Rome)	Morocco	Rabat	2	2
	North Africa and Middle East Hub (Cairo)	Egypt	Cairo	4	13
		Sudan	Khartoum	3	4
	Yemen	Sana'a	1	0	
WCA	Central Africa Hub (Yaoundé)	Cameroon	Yaoundé	4	6
		Democratic Republic of the Congo	Kinshasa	4	3
		Congo	Brazzaville	1	0
	Coastal Hub (Abidjan)	Burkina Faso	Ouagadougou	2	2
		Côte d'Ivoire	Abidjan	4	11
		Ghana	Accra	4	4
		Niger	Niamey	1	1
		Nigeria	Abuja	4	4
	West Africa Hub (Dakar)	Sierra Leone	Freetown	1	1
		Guinea	Conarky	1	1
		Mali	Bamako	1	1
		Senegal	Dakar	4	9
Total				106	189
Other locations					
PRM	Americas Liaison Office (USA)	United States	New York	2	2
		United States	Washington	3	3
	Rome headquarters (all other divisions)			492.4	434.5
Total number of staff positions				603.40	628.5
% of staff positions in the field				18%	30%

Annex II. One-time adjustment and capital budget for OpEx

(Millions of United States dollars)

	Budgeted phasing			Utilization		
	Total	2018	2019	As at 31/03/18	As at 19/07/18	% of 2018
I. ONE-TIME ADJUSTMENT BUDGET						
A. Accelerated decentralization						
Staff outposting costs	1.05	0.75	0.30	-	-	-
Upgrading and establishment of ICOs	1.45	1.15	0.30	0.10	0.18	16
B. Results and organization optimization activities						
Business process and functional analysis	0.50	0.50	-	0.07	0.17	34
Organization and change management expertise	0.75	0.50	0.25	0.03	0.05	10
Backfilling of staff working on OpEx project	1.00	0.65	0.35	0.15	0.32	49
Training	0.35	0.15	0.20	-	0.06	40
C. Voluntary separation programme	1.50	0.50	1.00	-	-	-
Total one-time adjustment expenditures	6.60	4.20	2.40	0.35	0.78	19
II. ONE-TIME CAPITAL BUDGET (for IT SYSTEM ENHANCEMENTS)						
Reconfigure ERP system to support decentralization	1.55	1.00	0.55	-	0.54	54
Infrastructure set up and upgrading at ICOs/Regional Hubs	0.50	0.30	0.20	-	0.09	30
Additional software to support PMD decentralization	0.25	0.25	0.00	-	-	-
Automated procurement approval	0.10	0.10	0	-	-	-
Disbursement tracking and reporting systems	0.30	0.20	0.10	-	-	-
Corporate results reporting	0.35	0.20	0.15	-	-	-
Total one-time capital budget	3.05	2.05	1.00	-	0.63	31
Total of one-time adjustment and capital budget	9.65	6.25	3.40	0.35	1.41	23

Annex III. OpEx results chain

Activities	Outputs	Intermediate outcomes (IFAD11 RMF)	Outcomes	IMPACT
← 2018-2019 →		← 2020-2021 →		
Re-engineered country-based model	<ul style="list-style-type: none"> • 40 ICOs established and running, including 12 Regional Hubs, 3 SSTC/KM centres • Staff reassignment to Regional Hubs and ICOs completed • Job profiles of country directors, completed 	<ul style="list-style-type: none"> • Time from project concept to Executive Board approval (from 17 to 8 months by 2021) • Time from project approval to first disbursement (from 17 to 12 months by 2021) 	<p>Consistently higher-quality and sustainable country programmes and projects</p> <ul style="list-style-type: none"> • Overall rating for quality of project design • RMF tier II – development results – indicators 	<p>IFAD scales up its impact and contribution to Agenda 2030</p> <p><i>Transforming resources into development results (IFAD11 business model), effectiveness and equity (value for money)</i></p>
More delegation to frontlines	<ul style="list-style-type: none"> • Revised delegation of authority fully operational • Checks and balances embedded in core IT systems 	<ul style="list-style-type: none"> • Disbursement ratio (from 16.7 to 17 by 2021) • Percentage of problem projects (from 22 to 15 by 2021) • Ratio of budgeted staff positions in ICOs/ Regional Hubs 	<ul style="list-style-type: none"> • RMF tier III 3.3: performance of country programmes indicators • 3.6: Transforming resources into development results 	
Making headquarters fit for purpose	<ul style="list-style-type: none"> • Realigned organizational structure is fully operational • Job profiles of project technical leads, regional climate and environment specialists, gender officers and others completed 	<ul style="list-style-type: none"> • Percentage of IFAD's investment projects managed by ICOs/ Regional Hubs • Percentage of supervision/ implementation support budget used through ICOs/ Regional Hubs 	<p><i>Transforming resources into development results (IFAD11 business model), effectiveness and equity (value for money)</i></p>	
Recalibrating business processes	<ul style="list-style-type: none"> • Streamlined design process fully operational • Faster Implementation for Project Start-up fully operational • Instruments to enhance project implementation speed fully operational 		<p>Expanded programme of work (PoW)</p> <ul style="list-style-type: none"> • PoW grows from US\$7 billion to US\$7.7 billion by 2021) <p><i>Resource mobilization (IFAD11 business model), effectiveness and equity (value for money)</i></p>	