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Investing in rural people

Increasing Transparency for Greater Accountability Action Plan

Annual Progress Report – 2019

Note to Executive Board representatives

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For: Review

Increasing Transparency for Greater Accountability Action Plan: Annual Progress Report – 2019

I. Introduction

1. In line with its commitment to improve the availability, relevance, accessibility and timeliness of information to IFAD's stakeholders, Management presented the document Increasing Transparency for Greater Accountability - Action Plan (EB 2017/122/R.29/Rev.1) to the Executive Board at its session held in December 2017. The Board welcomed the plan and Management's commitment to provide annual progress reports.
2. During the ensuing months, Management, under the leadership of the Operational Policy and Results Division (OPR), put in place a robust system for tracking implementation progress. OPR assessed progress together with divisional focal points, and posted monthly status updates on IFAD's intranet as part of the Eleventh Replenishment of IFAD's Resources (IFAD11) commitment tracker.
3. The first progress report presented the implementation status as at end 2018 and the current one presents the implementation status as at 31 December 2019. The Office of Audit and Oversight (AUO) conducted an independent review of the updates produced by OPR, and carried out further audit activities as needed for verification purposes.

II. Summary

4. All 22 initiatives listed in the Action Plan have effectively been substantially implemented as at 31 December 2019. A detailed status report is set out in the attached annex. AUO found the feedback provided by Management (included in the last column of the annexed table) to be a correct representation of the implementation status of the initiatives. AUO provided its own assessment notes (inserted below Management's status update) where further clarification was deemed useful. Of the six actions "in progress" at end of 2018, one was addressed in 2019 and is now rated as "Completed", while the other five are of a continuous nature and have been assigned the status "Addressed (Continuous)"¹ as follows:

Operations

5. All pending actions in relation to IFAD's participation in the International Aid Transparency Initiative (IATI) have now been substantially addressed. These actions include automated data upload of disbursement transactions and project data, steps to promote transparency by IFAD's implementing partners and development of a stakeholder feedback framework. Actions relating to information on the performance-based allocation system (PBAS) and providing a publicly accessible operations dashboard have been addressed through development of specialized information technology tools (www.ifad.org/en/web/operations/operations-dashboard).

Management of financial and human resources

6. AUO confirmed that information on financial trends is regularly disclosed and available on IFAD's website through a new finance webpage – (<https://www.ifad.org/en/financial-indicators-and-trends>) – and data in IFAD's Corporate Risk Dashboard.

¹ AUO has introduced the rating "Addressed (Continuous)" to better reflect the status of some of the actions. Specifically, the progress of actions is rated "Addressed (Continuous)" when the main elements or structure have been put in place, but the effective implementation requires continuous or recurrent effort (e.g. periodic or automated data upload) or if the relevant policy decisions or system changes have been made but their full implementation necessitates a gradual roll-out/mainstreaming.

Transparency Action Plan: Implementation progress in 2019

	Action to be taken and responsible division (as stated in EB 2017/122/R.29/Rev.1)	Implementation timing and retroactive application (as stated in EB 2017/122/R.29/Rev.1)	Status as of December 2019 (assessed by AUO)	Implementation progress as provided by responsible divisions and AUO assessment
	Operations			
1	Automate the current data upload to the IATI registry and subsequently add data on disbursement transactions and projects, with links to project documents (OPR).	Phase I is concluded. Phase II will be developed within 2017. A phase III, under which results could be incorporated, will be explored; for this Operational Results Management System (ORMS) needs to be fully developed and operational.	Addressed in 2019 (Continuous)	Phase II is live since the second quarter of 2018. In Phase III, the automated architecture has been put in place for adding further data. This action has been completed complying with the publication of the requested data and information. AUO confirmed that relevant data is automatically uploaded to the IATI Registry and made available through the D-portal link on IFAD's webpage IFAD's Website
2	Encourage governments and implementing partners to publish to IATI financial and results data related to the IFAD-supported programmes (OPR): Explain how IFAD is promoting similar standards with implementing partners. Explain how IFAD can do more in programming, in particular how transparency can improve development outcomes, for example, in the Initiative for Open Agriculture Funding led by InterAction, where information about agricultural investments is made accessible.	These actions will gradually be implemented during the IFAD11 period.	Addressed in 2019 (Continuous)	IFAD is already publishing disbursement data on the IATI website. Project results' data are all disclosed publicly in the form of project supervision reports. The new operational procedures for country strategies (effective January 1, 2019) specify that they must include narratives on enhancing the transparency of governments through beneficiary feedback, including effective grievance redress mechanisms at the project level. AUO confirmed that the 'Procedures for Country Strategies' issued in May 2019, available on IFAD's Website, contain narrative to encourage governments and implementing partners to promote transparency through beneficiary feedback. This narrative is consistently included in COSOPs disclosed in 2019 and will be fully implemented during the IFAD11 period. Furthermore, OPR is taking steps to award a grant through a competitive process to support governments and implementing partners report results related data. Considering that the main elements identified for this action have already been put in place, AUO assessed its progress as "Addressed" recognizing that additional steps can further improve transparency in this area.
3	Disclose the geographic location of IFAD operations through easily accessible maps on the IFAD website (OPR).	Location data available for all past and ongoing projects will be disclosed. The development of the online platform, led by OPR and the Information and Communications	Addressed in 2018 (Continuous)	IFAD project areas are now published on the IATI registry and displayed on the d-portal and the IFAD website through dynamic maps. The commitment has been met through a

		Technology Division (ICT), will start in 2018. This action will be implemented during 2018.		collaboration between OPR, ICT and the Communications Division (COM). AUO confirmed that project areas are published on IFAD's Website and updated regularly.
4	Provide additional information on the PBAS, including on actual country commitments in the programme of loans and grants, to the Executive Board (OPR).	Enhanced reporting started during IFAD10. The development of the automated system (led by OPR & ICT and supported by COM) will start in 2018.	Addressed in 2019 (Continuous)	Production of the PBAS manual has been finalized. The allocations calculator and the scenario builder modules are completed. Management provided the PBAS allocations to the EB in December 2019 as per standard practice. During the Replenishment period the EB is provided with information regarding countries that have benefited from reallocations while, at the end of the Replenishment cycle once the PoLG has been fully delivered a full comparison between countries that released funds and those that received them is provided. AUO confirmed that PBAS calculator, PBAS scenario builder and PBAS Manual have been developed and information on allocations and actual country commitments were made available to the EB through different documents.
5	Public (web) disclosure of PCRs (OPR).	Implementation will start in 2018.	Addressed in 2018 (Continuous)	A new process and templates for disclosure of PCRs are in place along with a tool to track PCR submissions and disclosure; this was completed in July 2018. AUO confirmed that disclosure of PCRs is now performed regularly and PCRs are available on IFAD's Website.
6	Develop a corporate dashboard with the latest available data on performance and results of IFAD-supported operations, fully accessible through the IFAD website (OPR).	Action will be taken for some reporting requirements in 2018. Specific requirements will need to be identified for full implementation.	Completed in 2019	Development completed and delivered in 2019 Q1 AUO confirmed that the corporate dashboard, drawing on data from IFAD operations (ORMS) and financial (Flexcube) systems, has been developed and is accessible on IFAD's Website, under the Transparency and Accountability area.
7	Elaborate a strategy for beneficiary feedback: where and when it should be used in programming; how to ensure an effective feedback loop that allows projects to learn and adapt; and how it can be used to help verify results and provide further oversight of how funds are spent (OPR).	This action will be implemented during the IFAD11 period	Addressed in 2019 (Continuous)	The Framework for Operational Feedback from Stakeholders was approved by the December 2019 Executive Board and will be implemented in 2020. AUO confirmed that the Framework for Operational Feedback from Stakeholders has been approved by the EB in December 2019 and is available on IFAD's Website

8	Additional reporting to the Audit Committee and, where relevant, to the Executive Board on financial management mechanisms, developments, disclosures and results in operations (Financial Management Services Division [FMD]).	The first annual report to be issued in accordance with the broadened scope is being presented to the 146 th meeting of the Audit Committee.	Addressed in 2018 (Continuous)	The first annual report with broadened scope was presented to the 146 th meeting of the Audit Committee. All subsequent reports will follow the same approach. AUO confirmed that Annual Reports with broadened scope continue to be presented to AC.
9	Public disclosure of income classification and financing terms of borrowers (FMD).	Public disclosure of financing terms and classification of borrowers to be published on IFAD's website from IFAD11 onwards.	Addressed in 2018 (Continuous)	A new webpage dedicated to lending data (https://www.ifad.org/web/guest/lending-data) has been launched, providing details as to country income category, lending terms and denomination currency. AUO confirmed that information on lending data is regularly updated and available on IFAD's Website.
10	Issue a series of information notes on IFAD products and terms, including single-currency lending (FMD).	Information/product notes to be published on IFAD's website from IFAD11 onwards.	Addressed in 2018 (Continuous)	Product notes on single-currency lending and loan pricing basics are available on IFAD's website in all four official IFAD languages. New products will be disclosed accordingly. AUO confirmed that information on IFAD products and terms is regularly updated and available on IFAD's Website
11	Public (web) disclosure of external auditor's project reports (FMD).	The new framework is being presented to the Audit Committee at its 146 th meeting for review, and to the 122 nd session of the Executive Board (December 2017) for approval. Subject to the Board's approval, the disclosure of the external auditor's project reports will be effective from 1 January 2018 and will be implemented progressively until 31 December 2018, after which the disclosure will become mandatory.	Addressed in 2018 (Continuous)	Following the six-month objection period afforded to borrowers between 1 January 2018 and 30 June 2018, IFAD initiated the systematic disclosure of all satisfactory audit reports following mandatory review and clearance by FMD. As of 31 December 2018, 34 project audit reports had been published on IFAD's website. AUO confirmed that External Auditor's project reports are regularly disclosed and a significant higher number are available on IFAD's Website.
Management of financial and human resources				
12	Provide information on corporate risks and risk management practices to the Audit Committee and Executive Board (Office of the President and Vice-President).	Management will propose options for regular updates to the Committee and the Executive Board on corporate risks and risk management practices at the 146 th meeting of the Committee.	Addressed in 2018 (Continuous)	Beginning in January 2019, the risk dashboard is presented to the Audit Committee four times per year for review and for information only at each Executive Board session. At the December 2018 session of the Executive Board, Management provided an update on enterprise risk management. IFAD's ERM framework is evolving and AUO confirmed that information on corporate risks and risk management practices is regularly provided to the Audit Committee and the Executive Board.

13	<p>Publicly disclose additional information on important financial trends (Accounting and Controller's Division).</p> <p>IFAD's financial performance, position and cash flows are reported, with detailed explanatory notes in the annual audited financial statements. These are made publicly available after approval. More than 100 donor, statutory and other reports* (including disbursement and repayments data) are included in the IFAD Annual Report, which is publicly available. Analysis of corporate-level trends could be further enhanced, and a specific page on finance could be created on IFAD's website for stakeholders.</p> <p>IFAD will enhance reporting of corporate-level trends on its website and to the governing bodies (primarily the Audit Committee). An analysis of the specific additional data to be reported is under way.</p> <p>*Reports on status of replenishment contributions and drawdowns; arrears and principal interest and service charges; the investment portfolio; principal and interest forgone with regard to the Debt Sustainability Framework; and resources available for commitment and the review of the Sovereign Borrowing Framework.</p>	<p>With certain reporting enhancements, this data can be made readily available on a specially created separate finance web page. Design of trends to be published completed in the first quarter of 2018 as planned, and new finance web page designed and available through new intranet site. Trends and data for display is scheduled for implementation and completion by the third quarter of 2018.</p>	<p>Addressed in 2019 (Continuous)</p>	<p>Design of trends to be published is completed and new finance web page has been designed and is available on IFAD's website. The site has been populated with additional data and is updated on a semester basis.</p> <p>In addition some KPI are embedded in the IFAD's Corporate Risk Dashboard and presented at each session of the Audit Committee and Executive Board.</p> <p>AUO confirmed that information on financial trends is regularly disclosed and available on IFAD's Website.</p>
14	<p>Elements of corporate procurement and travel guidelines (including daily subsistence allowance [DSA] information) (Administrative Services Division [ADM]).</p> <p>IFAD will make relevant sections of the Corporate Procurement and Travel Guidelines available on its website, in addition to the information already available on the United Nations Global Marketplace. Management will also disclose DSA rates on the restricted Member States platform.</p>	<p>ADM and COM will work together to disclose the additional information on corporate procurement procedures by 31 January 2018 on the IFAD website.</p> <p>Disclosure of DSA information can proceed, as authorized by the ICSC.</p>	<p>Completed in 2018</p>	<p>Selected sections of the corporate procurement guidelines and travel manual have been published on the IFAD website.</p> <p>DSA rates are now available on the Member States Interactive Platform in the "FAQ" section: https://webapps.ifad.org/members/faq.</p>

15	<p>Public disclosure of elements of important human resources guidance that are of potential public interest (Human Resources Division [HRD]).</p> <p>HRD is the custodian of a great deal of sensitive, confidential information, which limits its capacity to disclose or publicly release data. The IFAD Human Resources Policy is already disclosed publicly on the IFAD website as it is an Executive Board document (EB 2004/82/R.28/Rev.1). Human resources rules and procedures have not been disclosed publicly and are sent individually to newly recruited staff members. A summary of the IFAD's Code of Conduct will be provided under the Transparency Action Plan.</p>	A summary of IFAD's Code of Conduct will be posted on the IFAD website by first quarter of 2018	Completed in 2018	In July 2017, a summary of the Code of Conduct was posted on IFAD's website in the four official languages.
16	<p>Public disclosure of whistle-blower procedures (Ethics Office).</p> <p>The IFAD whistle-blower procedures will be posted on the IFAD website, together with information on confidential channels for submission of complaints.</p> <p>The procedures aim to prevent retaliation by introducing a robust mechanism to handle the reporting of suspected unsatisfactory conduct or misconduct.</p>	The IFAD whistle-blower procedures will be posted on the IFAD website by November 2017.	Completed in 2018	The IFAD whistle-blower procedures were posted in November 2017 in the four official languages.
Information to governing bodies and internal oversight				
17	<p>Submission of the Annual Report on the Activities of the Office of Audit and Oversight to the April sessions of the Executive Board for information (AUO).</p> <p>This report contains substantive summaries of all internal audit reports (IARs) issued during the preceding year plus information on the advisory activities and contributions of AUO; detailed information on the implementation of internal audit recommendations; summaries of major investigation cases concluded and sanctions or disciplinary measures applied; and information and analyses of the investigative experience and cases. The section of the report dealing with investigative matters is already disclosed publicly on the IFAD website. It is proposed that the AUO Annual Report be shared with the Board after it has been reviewed by the Audit Committee. The feedback/comments of the Committee would be conveyed to the Board through the Committee Chair's report. The recommended option is not to disclose the report, but rather share it with the Board through restricted access.</p>	The AUO Annual Report for 2017 will be shared with the Board in April 2018. This practice will not be applied retroactively for years prior to 2017.	Addressed in 2018 (Continuous)	<p>Sharing started at the April 2018 session of the Executive Board.</p> <p>AUO confirmed that Annual Reports on the Activities of the Office of Audit and Oversight are regularly disclosed to the Executive Board for information</p>

18	<p>Provide Executive Board representatives with access to IARs on request (AUO).</p> <p>It is proposed that Board representatives have the option of accessing IARs. It is further proposed that the request for access is processed through the Audit Committee Chair, who may require the report to be reviewed by the Audit Committee (if this has not been previously done). In addition, when access is provided, Board representatives must be subject to the same confidentiality restrictions that apply to Audit Committee members.</p> <p>The decision to allow access to restricted Audit Committee documents should be based on the Board's careful consideration of: (i) the need for access to specific information; and (ii) the confidentiality regime that applies to the information in question.</p>	<p>It is proposed that Executive Board representatives are provided with the opportunity to access IARs on request starting in April 2018, on the basis of the IARs listed in the 2017 AUO Annual Report for 2017 (to be shared with the Board in April 2018). It is not proposed to apply this practice retroactively. The revised procedure to be followed by Board representatives for accessing reports will be proposed for confirmation by the Board in April 2018 as part of the revised Charter of the Office of Audit and Oversight.</p>	<p>Addressed in 2018 (Continuous)</p>	<p>'On-request' access to IARs was provided to Executive Board representatives since 14 February 2018 through the Audit Committee website and AUO confirmed that IARs are disclosed regularly to Executive Board representatives</p>
19	<p>Additional information to be provided to the Audit Committee on the causes of investigations and sanctions (AUO).</p> <p>Additional detail on control weaknesses or other potential causes of substantiated wrongdoing will be provided in the AUO Annual Report. AUO will also provide additional details, on request, to the Audit Committee in a closed session. All additional disclosures will be made in full respect of privacy, security and safety obligations.</p>	<p>This practice will be introduced in the AUO Annual Report for 2017, which will be shared with the Audit Committee in March/April 2018.</p>	<p>Addressed in 2018 (Continuous)</p>	<p>Additional information on the causes of investigations and sanctions was provided in the AUO annual and progress reports presented at the meetings of the Audit Committee held in March and September 2018 and through a presentation at the November meeting. Similar information continue to be provided at all Audit Committee meetings.</p>
20	<p>Issue a note to IFAD Member States restating the information that is publicly available from IFAD sources (Office of the Secretary [SEC]).</p>	<p>November 2017</p>	<p>Completed in 2018</p>	<p>This note was issued in November 2017 and is available on IFAD's website.</p>
21	<p>Provide wider access to Convenors and Friends documentation (SEC).</p> <p>The notes of the Convenors and Friends meetings will be publicly shared, unless Convenors request that access be restricted to specific meetings.</p>	<p>To be implemented as of the first meeting of Convenors and Friends in 2018.</p>	<p>Addressed in 2018 (Continuous)</p>	<p>These notes have been shared since January 2018 and AUO confirmed that they continue to be provided regularly</p>
22	<p>Make available the President's opening and closing remarks at Executive Board sessions (SEC).</p> <p>The President's opening and closing remarks will be publicly disclosed in IFAD's official languages for information.</p>	<p>Starting with the 122nd session of the Board in December 2017.</p>	<p>Addressed in 2018 (Continuous)</p>	<p>The President's opening and closing remarks have been disclosed since the December 2017 Executive Board session and AUO confirmed that they continue to be disclosed regularly.</p>