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Alimentación

FINANCE COMMITTEE

Hundred and Twenty-fifth Session

Rome, 9 – 10 March 2009

Update on the Estimated Costs and Funding Modalities of the Immediate Plan of Action (IPA)

I. Executive Summary

1. The report presents an update to the IPA cost estimates submitted to the 123rd session of the Finance Committee, as a result of a further detailed examination and modification to cost estimates by the Project Leaders appointed by Management to manage the projects that comprise IPA implementation.
2. The assumptions and guiding principles used by Management in developing the cost estimates are explained, and reasons provided for major variations between original and revised estimates.
3. The net result of the estimate revisions is a reduction in the requirement for voluntary funding in 2009 from USD 21.8 million (USD 23.39 million including 7% Project Support Costs) to USD 18.6 million (USD 19.9 million including 7% Project Support Costs) and a reduction in the estimated costs in 2010-11 of USD 0.42 million. Annexes 3 - 7 to the report provide, for each Thematic Group, detailed descriptions of the rationale and build-up of each original and revised estimate.

II. Introduction

4. At the 123rd Session of the Finance Committee in October 2008, the Committee concluded that the IPA costs presented provided an acceptable indication of the order of magnitude of the overall costs and savings that would stem from the implementation of the Immediate Plan of Action and the Root and Branch review initiatives. In this regard, it noted that, in 2009, full implementation of the IPA was expected to require total resources of USD 18.2 million and that the RBR initiatives were expected to require a further USD 7.5 million – a total of USD 25.7 million.
5. Given that funding sources of USD 3.9 million had already been identified, the Committee noted the total preliminary and tentative extra-budgetary funding requirements for

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2009 would be approximately USD 21.8 million (USD 23.39 million including 7% Project Support Costs) whilst investment and recurring costs for 2010-2011 would be further reviewed in the context of the preparation of an integrated Programme of Work and Budget 2010-11. The Committee also noted that the estimated costs remained preliminary, in particular as regards the Root and Branch Review initiatives.

6. Staff experts in each of the IPA areas have been appointed by Management as Project Leaders to manage implementation of the IPA actions. One of their first assignments was to critically review in greater detail the original estimated costs provided to the Finance Committee at its 123rd session. This paper provides a description and a summary of these revised estimated costs for 2009 and for 2010-11, together with the general assumptions and principles that were used in producing both the original and the revised cost estimates, and justifications for major variances between original and revised cost estimates. It then provides an update on funding modalities for 2009.

III. General assumptions and principles

7. The original and revised cost estimates are based on the best information available at the time of production. These cost estimates will be reviewed and updated by the project teams on an ongoing basis and Management will continue to monitor and provide regular updates on forecasted costs and expenditures as IPA implementation proceeds, including comparisons between estimated and actual costs as projects complete.

8. For example, the Root and Branch figures remain preliminary and tentative estimates provided by Ernst and Young. Management reviewed the figures in detail, and updated estimates are expected to be provided by Ernst and Young following Stage 2 of the RBR in April 2009. Moreover, the estimated revised costs for 2010-11 should also continue to be regarded as preliminary and tentative.

9. The departure point for development of cost estimates was the PWB 2008-09. Items have been costed only if they will be incurred as a result of implementation of the IPA, and they represent additional, incremental costs which were not budgeted for in the PWB 2008-09. In this regard, checks have been undertaken across all costs to avoid double counting.

10. Staff costs devoted to implementing the IPA actions have generally not been shown as incremental costs. However, there are exceptions where it is considered essential to remove staff from their normal duties to undertake IPA implementation. In these cases, the staff costs cover the costs of “backfilling” where it is considered essential that other arrangements are made to cover their normal duties. Specifically, this applies to the Reform Support Group officers and group leaders, key members of the Change Team, and staff engaged as workstream leaders in the Root and Branch Review.

11. In line with current FAO policy on voluntary contributions placed in trust funds, the indirect variable cost of administrative and operational services is recovered through application of a project support cost rate. In accordance with the policy, the standard rate of 13% has been reduced to 7% for application to the IPA Trust Fund, since operational services are covered by the Reform Support Group officers.

12. In applying these principles, over half of the IPA actions can be initiated within the planned Programme of Work 2008-09 and therefore do not require extra-budgetary funding and have zero estimated additional cost.

13. In order to most effectively manage IPA implementation, the IPA actions were organized into projects and thematic groups (see Annex 1). Original and revised costs associated with each action have been regrouped into these projects, and the remainder of this paper reports on costs within these project classifications. However, in the interests of clarity and transparency, Annex 2 provides a like-for-like comparison of the original and revised cost estimates in the original IPA format as presented in the Annex to FC 123/18.

IV. Summary position following review by Project Leaders - 2009

14. FC 123/18 (Table 8) provided a breakdown of 2009 estimated costs totalling USD 25.7 million, comprising USD 17.6 million investment and USD 8.1 million recurrent. As a result of the review by Project Leaders the corresponding costs for 2009 have been reduced by USD 2.94 million to a new total of USD 22.82 million, comprising USD 17.4 investment and USD 5.42 million recurrent (Table 1 - row entitled "Total estimated cost" refers).

15. Taking account of sources of funding previously identified (quick wins, Spanish funds, unspent appropriation resources for IEE), the net estimated resource requirement has declined from USD 21.86 million (USD 23.39 million including 7% Project Support Costs) to USD 18.6 million, (USD 19.9 million including 7% Project Support Costs) – Table 1 – row entitled "Total 2009 requirement for voluntary contributions" refers.

16. Table 1 provides this information in summary format by project and an explanation of original and revised estimated costs appears at Annexes 3-7.

Table 1 – Comparisons between original and revised cost estimates for 2009

Project	2009 Costs (Original) (USD Millions)			2009 Costs (Revised) (USD Millions)			Difference (USD Millions)
	Investment	Recurrent	Total	Investment	Recurrent	Total	
1. Governing Body Reform	0.1	1.26	1.36	0.1	0.21	0.35	-1.05
2. Oversight	0	0.15	0.15	0	0.15	0.15	0.00
3. Reform of Programming, budgeting and Results Based Monitoring	0.55	0.25	0.80	0.55	0.25	0.80	0.00
4. Resource Mobilization and Management	0.7	0	0.70	0	0	0.00	-0.70
5. Technical Cooperation Programme	0.5	0	0.50	0.53	0	0.53	0.03
6. Decentralization	0.7	1	1.70	0.7	0.9	1.60	-0.10
7. Headquarters Structure	0.25	0.5	0.75	0.5	0.5	1.00	0.25
8. Partnerships	0.34	0.16	0.50	0.34	0.1	0.44	-0.06
9. Reform of administrative and management systems	4.95	0	4.95	4.95	0	4.95	0.00
10. FAO Manual	0	0	0.00	0	0	0.00	0.00
11. IPSAS and Oracle	0	2.25	2.25	0.3	0	0.30	-1.95
12. Enterprise risk management	0.6	0	0.60	0.5	0	0.50	-0.10
13. Culture Change	1.7	0.4	2.10	1.72	0.4	2.12	0.02
14. Human Resources	4.33	2.17	6.50	4.33	2.87	7.20	0.70
15. IPA - Governing body follow-up	1.6	0	1.60	1.6	0	1.60	0.00
16. IPA Management follow-up	1.3	0	1.30	1.3	0	1.30	0.00
Total estimated cost	17.62	8.14	25.76	17.42	5.38	22.80	-2.96
Less: previously identified sources of funding	-2.9	-1.0	-3.9	-3.2	-1.0	-4.2	
Sub-total estimated resource requirement	14.72	7.14	21.86	14.22	4.38	18.60	-3.24
Plus: Project Support Costs @ 7%			1.53			1.30	
Total requirement for voluntary contributions			23.39			19.90	-3.47

V. Summary position following review by Project Leaders – 2010-11

17. Previous 2010-11 estimated costs totalled USD 63.72 million, comprising USD 25.04 million investment and USD 38.68 million recurrent. As a result of the review by Project Leaders the estimated costs for 2010-11 have been reduced by USD 0.42 million to a new total of

USD 63.3 million, comprising USD 28.12 investment and USD 35.18 million recurrent. Table 2 provides this information in summary format by project.

Table 2 – Comparisons between original and revised cost estimates for 2010-11

Project	2010-11 Costs (Original) (USD Millions)			2010-11 Costs (Revised) (USD Millions)			Difference (USD Millions)
	Investment	Recurrent	Total	Investment	Recurrent	Total	
1. Governing Body Reform	1.2	4.42	5.62	1.2	4.4	5.60	0.00
2. Oversight	0	4.8	4.80	0	4.8	4.80	0.00
3. Reform of Programming, budgeting and Results Based Monitoring	0.55	0.6	1.15	0.55	0.6	1.15	0.00
4. Resource Mobilization and Management	0	0.7	0.70	0.7	0.7	1.40	0.70
5. Technical Cooperation Programme	0.2	-0.9	-0.70	0.28	-0.9	-0.62	0.08
6. Decentralization	0.9	4	4.90	1.1	3.8	4.90	0.00
7. Headquarters Structure	0.75	0.2	0.95	0.5	0.2	0.70	-0.25
8. Partnerships	0.14	0.32	0.46	0.14	0.82	0.96	0.50
9. Reform of administrative and management systems	2.45	-2	0.45	2.45	-2	0.45	0.00
10. FAO Manual	0	0.8	0.80	0	0.8	0.80	0.00
11. IPSAS and Oracle	0	5	5.00	6.55	0.5	7.05	2.05
12. Enterprise risk management	1.8	0	1.80	2	0	2.00	0.20
13. Culture Change	0	0.8	0.80	0	0.8	0.80	0.00
14. Human Resources	15.45	20.34	35.79	11.05	21.04	32.09	-3.70
15. IPA - Governing body follow-up	0	0	0.00	0	0	0.00	0.00
16. IPA Management follow-up	1.6	-0.4	1.20	1.6	-0.4	1.20	0.00
Subtotal	25.04	38.68	63.72	28.12	35.18	63.30	-0.42
Less: RBR Early savings			3.00			3.00	
Total			60.72			60.30	

VI. Funding modalities - 2009

18. The Conference, in adopting Resolution 1/2008, decided that “...implementation of the Immediate Plan of Action in 2009 requires funding by extra-budgetary contributions, and that its funding for 2010-2011 will be treated under the Programme of Work and Budget.”

19. At its 123rd session in October 2008, the Finance Committee “...recalled that investment and recurrent costs for 2010-2011 would be further reviewed in the context of preparation of an integrated Programme of Work and Budget 2010-11 that would cover both assessed and voluntary contributions.”¹ Therefore, this section of the document updates the funding modalities for actions to be undertaken in 2009.

20. Three sources of funding in 2009 totalling USD 3.9 million were previously identified in FC 123/19 Table 9, which has increased to USD 4.2 million:

- Quick wins from the Root and Branch Review estimated at USD 1 million, which has not been updated pending outcome of RBR Stage 2;
- USD 2.5 million from the Contribution of Spain to One-time and Transition Costs of Reform (provided in 2007 and 2008 and earmarked for the Root and Branch Review contract and the Culture Change consultant), which is unchanged;
- USD 0.4 million being the estimated end-2008 unspent balance on the USD 4 million appropriated in 2008-09 to fund the implementation of the Resolution on the Follow-up

¹ CL 135/8 paragraph 68

to the IEE, which has increased to USD 0.7 million on final closure of the 2008 accounts (USD 300,000 balance for CoC-IEE and USD 400,000 balance for preparation of results-based framework).

21. Based on the revised total estimated cost in 2009 of USD 22.8 million, there is a net requirement of USD 19.9 million (including 7% support cost) in extra-budgetary funding to be contributed to a special Trust Fund established for this purpose (as at 23 February 2009, USD 6.2 million has been pledged and USD 3.1 million has been provided).

22. Besides the call for extra-budgetary resources by the Conference, the Finance Committee at its 123rd session “...stressed the importance of considering all avenues for identifying resources. For example, in its role of oversight of financial administration, the Finance Committee could assist in identifying potential Regular Programme funds for the Immediate Plan of Action while ensuring that the Programme of Work 2008-09 is fully implemented as planned. Such funds could become available, for example, through windfall savings or from freed up Regular Programme resources as a result of extra-budgetary contributions in support of technical programmes.”

23. The budgetary appropriation of USD 929.9 million for 2008-09 voted by Conference in November 2007² foresaw that savings and efficiency gains of USD 22.1 million would be identified and achieved during the biennium in delivering the Programme of Work, in addition to the USD 13.3 million in efficiencies already planned in the PWB. Early in the biennium, FAO units identified measures to achieve USD 18.1 million in biennialized savings and efficiency gains³ in five broad areas, as reported to the Finance Committee at its 122nd session in May 2008⁴.

24. While measures to achieve USD 22.1 million in biennial efficiency savings will be in place by the end of the biennium, the actual savings achieved during 2008-09 will be less due to the lead time needed to implement some of the measures. The actual efficiency savings as at end-February 2009 is USD 8.0 million. Based on current rates of implementation, USD 15.2 million in actual efficiency savings are expected to be achieved by the end of 2008-09. These measures will allow the delivery of the planned programme of work at lower cost. The balance of USD 6.9 million in savings needed to keep expenditure within the 2008-09 appropriation will be found from one-time measures in the biennium such as vacancies and a phased implementation of decentralization. While these one-time initiatives will also allow, to a great extent, the delivery of the planned 2008-09 programme of work at lower cost, such savings will not recur in future biennia.

25. To date no Regular Programme resources have been freed up by extra-budgetary contributions.

VII. Conclusion

26. The total estimated costs for 2009 following revision by Project leaders have been reduced by USD 2.94 million from USD 25.76 million to USD 22.8 million. The total estimated costs for 2010-11 following revision by Project leaders remain almost identical at USD 63.3 compared with the original estimate of USD 63.72.

27. After allowing for USD 4.2 million funding from previously identified sources and adding 7% (USD 1.30 million) in respect of Project Support Costs, the total amount to be funded from voluntary contributions in 2009 is USD 19.92 million.

28. The latest status of the Trust Fund established to fund IPA implementation as at 23 February 2009 is USD 6.2 million pledged and USD 3.1 million paid.

² CR 3/2007

³ *Biennialized* refers to the aggregate savings over two years, starting as from the date of implementation

⁴ FC 122/12 Progress Report on Adjustments to the Programme of Work for Unidentified Savings and Efficiency Gains

Annex 1 – Organization of IPA implementation into Thematic Groups and Projects

IPA	Thematic Groups	Projects
<p>IPA (200+ actions)</p>	<p>1. Improved articulation of member needs through effective governance and oversight</p> <p>Thematic group leader: Jean-François Pulvéris</p>	<p>1. Governing Body reform Project leader: Ali Mekouar</p> <p>2. Oversight Project leader: Jim Butler</p>
	<p>2. Focus on member needs through results based programming, monitoring, reporting & resource mobilization</p> <p>Thematic group leader: Jutta Krause</p>	<p>3. Reform of programming, budgeting & results based management Project leader: Boyd Haight</p> <p>4. Resource mobilization and management Project leaders: Minà Dowlatchahi/Roberto Samanez</p>
	<p>3. Functioning as one organization by aligning our structures, roles and responsibilities to the results framework</p> <p>Thematic group leader: Shivaji Pandey</p>	<p>5. Technical Cooperation Programme Project leader: André Hupin</p> <p>6. Decentralization Project leaders: Daud Khan/Deodoro Roca</p> <p>7. Headquarters structure Project leader: Jim Butler</p> <p>8. Partnerships Project leader: Mariam Ahmed</p>
<p>plus</p>	<p>4. Efficient use of member contributions through reform of administrative and management systems</p> <p>Thematic group leader: Fernanda Guerrieri</p>	<p>9. Reform of administrative and management systems Project leader: Theresa Panuccio</p>
<p>Root & Branch Stage 1 actions</p>		<p>10. FAO Manual Project leader: Serge Nakouzi</p> <p>11. IPSAS and Oracle Project leaders: Nick Nelson/Yasuko Hanaoka</p>
<p>plus</p>		<p>12. Enterprise Risk Management Project leaders: Jim Butler/Amalia Lo Faso</p>
<p>Outstanding D-G Early actions</p>	<p>5. Optimizing human resources through HR policy, practice and culture change</p> <p>Thematic group leader: Laurent Thomas</p>	<p>13. Culture Change Project leaders: Liliane Kambirigi/Egle de Angelis</p> <p>14. Human Resources Project leader: Tony Alonzi</p>

Annex 2 – Original and revised cost estimates in format of annex to FC 123/18

Resource Requirements and Implementation Schedule of the IPA	Original estimates					2009 Costs	Revised estimates					2009 Costs
	Investment			Recurrent			Investment			Recurrent		
	2009	2010-11	Total	2009	2010-11		2009	2010-11	Total	2009	2010-11	
FAO New Framework												
FAO Strategic Objectives and the New RB Framework - Action Matrix												
Governance Reform	0.10	1.20	1.30	1.41	9.22	1.51	0.10	1.20	1.30	0.36	9.22	0.46
The Conference - Action Matrix				0.20	0.40	0.20					0.40	
Changes in practice (2.12)				0.20	0.40	0.20					0.40	
The Council - Action Matrix				0.85	3.10	0.85					3.10	
More flexible meeting times and lengths (2.19 - 2.21)					1.40						1.40	
Verbatim in all languages (2.22)				0.85	1.70	0.85					1.70	
Programme and Finance Committees - Action Matrix				0.06	0.12	0.06				0.06	0.12	0.06
Increased membership and silent observers (2.44)				0.06	0.12	0.06				0.06	0.12	0.06
Committee on Constitutional and Legal Matters (CCLM) - Action Matrix												
Regional Conferences - Action Matrix					0.40						0.40	
Changes in practice (2.52)					0.40						0.40	
Technical Committees - Action Matrix												
Ministerial Meetings - Action Matrix				0.05	0.10	0.05				0.05	0.10	0.05
Ministerial Meeting (2.66)				0.05	0.10	0.05				0.05	0.10	0.05
Statutory Bodies, Conventions, Treaties, Codex, etc. - Action Matrix		0.30	0.30					0.30	0.30			
Undertake a review (2.69)		0.30	0.30					0.30	0.30			
Further Actions to Improve the Effectiveness of FAO Governance - Matrix	0.10	0.90	1.00	0.10	0.20	0.20	0.10	0.90	1.00	0.10	0.20	0.20
Preparation of a multiyear programme of work (2.71)				0.10	0.20	0.10				0.10	0.20	0.10

Resource Requirements and Implementation Schedule of the IPA	Original estimates					2009 Costs	Revised estimates					2009 Costs
	Investment			Recurrent			Investment			Recurrent		
	2009	2010-11	Total	2009	2010-11		2009	2010-11	Total	2009	2010-11	
Independent review (2.74)		0.80	0.80					0.80	0.80			
Revising the Basic Texts for all Governing Bodies (2.76)	0.10	0.10	0.20			0.10	0.10	0.10	0.20			0.10
Evaluation - Action Matrix					4.50						4.50	
Evaluation Budget (2.78)					4.50						4.50	
Audit - Action Matrix				0.15	0.30	0.15				0.15	0.30	0.15
Audit (2.91)				0.15	0.30	0.15				0.15	0.30	0.15
Appointment and Term of Office of the Director-General - Action Matrix					0.10						0.10	
Appraisal of DG candidates (2.95)					0.10						0.10	
Governance Priorities - Action Matrix												
Systems, Programme, Culture and Organizational Restructuring	10.42	18.14	28.57	3.73	26.52	14.15	9.92	13.17	23.09	4.27	27.76	14.19
Reform of Programming, Budgeting and Results Based Monitoring - Action Matrix	0.40	0.20	0.60		0.80	0.40	0.40	0.20	0.60		0.80	0.40
Revised Programme and Budget model (3.1-3.4)	0.20		0.20		0.80	0.20	0.20				0.80	0.20
Revised implementation performance monitoring system and reports (3.6)	0.20	0.20	0.40			0.20	0.20	0.20				0.20
Resource Mobilization and Management Strategy - Action Matrix	0.70		0.70		0.70	0.70		0.70	0.70			
Integration of EB resources into planning process (3.12)	0.70		0.70		0.70	0.70		0.70			0.70	0.70
Technical Cooperation Programme - Action Matrix	0.50	0.20	0.70		(0.90)	0.50	0.53	0.28	0.81		(0.90)	0.53
TCP Programme changes (3.22)	0.50	0.20	0.70		(0.90)	0.50	0.53	0.28	0.81		(0.90)	0.53
Culture Change in the FAO Secretariat - Action Matrix	1.50		1.50			1.50	1.52		1.52			1.52
Culture change team and development of internal vision (3.30)	1.00		1.00			1.00	1.10					1.10
Development of internal vision (3.31)	0.50		0.50			0.50	0.42					0.42

Resource Requirements and Implementation Schedule of the IPA	Original estimates					2009 Costs	Revised estimates					2009 Costs
	Investment			Recurrent			Investment			Recurrent		
	2009	2010-11	Total	2009	2010-11		2009	2010-11	Total	2009	2010-11	
Ethics - Action Matrix	0.20		0.20	0.40	0.80	0.60	0.20		0.20	0.40	0.80	0.60
Ethics Office (3.33)	0.20		0.20	0.40	0.80	0.60	0.20		0.20	0.40	0.80	0.60
Reform of Administrative and Management Systems - Action Matrix	3.00	1.80	4.80			3.00	2.90	0.50	3.40			2.90
Root and Branch Review (3.44)	2.40		2.40			2.40	2.40		2.40			2.40
Risk assessment - Study and Action Plan (3.50)	0.60	0.60	1.20			0.60	0.50	0.50	0.10			0.50
Risk Assessment Action Plan (3.52)		1.20	1.20									
Publishing in all Languages of the Organization - Action Matrix		0.20	0.20		0.06			0.20	0.20		0.10	
Mirror websites for Arabic and Chinese (3.57)		0.20	0.20		0.06			0.20			0.10	
Human Resource Policies and Practices - Action Matrix	3.08	14.20	17.28	2.17	20.74	5.25	3.08	9.80	12.88	2.87	21.44	5.95
Recruitment policies (3.59)	0.08		0.08	0.07	0.14	0.15	0.08		0.08	0.07	0.14	0.15
Staff training (3.60)	1.70		1.70	0.90	1.80	2.60	1.70		1.70	0.90	1.80	2.60
Rotation Policy (3.61)					8.80						8.80	
Young professionals programme (3.62)					2.00						2.00	
Wider publication of FAO vacancies (3.64)				0.10	0.20	0.10				0.10	0.20	0.10
Competency profiles for decentralized managers (3.66)	0.10		0.10			0.10	0.10		0.10			0.10
Recruitment of consultants (3.67)				0.10	0.10	0.10				0.10	0.10	0.10
Rationalising the use of FAO retirees (3.68)				1.00	2.00	1.00				1.00	2.00	1.00
Staff appraisal system (3.70)	0.70	1.00	1.70		0.70	0.70	0.70		0.70	0.70	1.40	1.40
Implementation of HR MIS (3.72)	0.50	0.80	1.30			0.50	0.50	0.80	1.30			0.50
Establishment of a staff redeployment fund (3.73)		12.40	12.40		5.00			9.00	9.00		5.00	
Decentralization - Action Matrix	0.70	0.90	1.60	1.00	4.00	1.70	0.70	1.10	1.80	0.90	3.80	1.60
HR actions for decentralized managers (3.87)	0.10		0.10			0.10	0.10		0.10			0.10
Performance-based reporting and monitoring system for	0.10	0.10	0.20	0.30	0.60	0.40	0.10	0.10	0.20	0.30	0.60	0.40

Resource Requirements and Implementation Schedule of the IPA	Original estimates					2009 Costs	Revised estimates					2009 Costs
	Investment			Recurrent			Investment			Recurrent		
	2009	2010-11	Total	2009	2010-11		2009	2010-11	Total	2009	2010-11	
decentralized offices (3.88)												
Deployment of support systems (including training and upgrading IT infrastructure) (3.90)	0.50	0.80	1.30	0.70	3.40	1.20	0.50	1.00	1.50	0.60	3.20	1.10
Headquarters Structure - Action Matrix		0.50	0.50				0.25	0.25	0.50			0.25
HQ Delaying (3.96)					(17.40)						(17.40)	
Strengthening of Technical Areas (3.98)		0.50	0.50		17.40		0.25	0.25	0.50		17.40	0.25
Partnership - Action Matrix	0.34	0.14	0.49	0.16	0.32	0.50	0.34	0.14	0.48	0.10	0.82	0.44
Stocktaking of partnerships (3.109)				0.10	0.20	0.10				0.10	0.24	0.10
Preparation of a short-term agenda of initiatives (3.110)	0.20		0.20	0.06	0.12	0.26	0.20		0.20		0.18	0.20
Establishment of a monitoring mechanism (3.117)	0.14	0.14	0.28			0.14	0.14	0.14	0.28		0.40	0.14
Implementation Follow-up	2.60	1.00	3.60			2.60	2.60	1.00	3.60			2.60
Governing Body Follow-up - Action matrix	1.60		1.60			1.60	1.60		1.60			1.60
Establishment of time-bound Conference Committee (4.2)	1.60		1.60			1.60	1.60		1.60			1.60
FAO Managerial Arrangements for IEE Follow-up Implementation - Action Matrix	1.00	1.00	2.00			1.00	1.00	1.00	2.00			1.00
Internal management and oversight of the IPA (4.7)	1.00	1.00	2.00			1.00	1.00	1.00	2.00			1.00
Grand Total IPA	13.12	20.34	33.46	5.14	35.78	18.26	12.62	15.37	27.99	4.63	36.78	17.25
Root and Branch Stage I	4.50	4.70	9.20	3.00	2.90	7.50	4.80	12.75	17.55	0.75	-1.60	5.55
Total IPA and RBR	17.62	25.04	42.66	8.14	38.68	25.76	17.42	28.12	45.54	5.38	35.18	22.80

Annex 3 - Original and revised estimated costs for Thematic Group 1

Improved articulation of member needs through effective governance and oversight

Project 1 - Governing Body Reform

Conference

2.12 - Changes in practice will be introduced, including ways of working and reporting lines with respect to the various Bodies

Original cost estimate: USD 0.2 million in 2009 and USD 0.4 million in 2010-11 for contractors/PSAs for translation and printing of Verbatim Records

Revised cost estimate: USD 0.2 million for 2009 eliminated as translation of verbatim records in all languages will be introduced from 2010-11 if so agreed by Members

Council

2.19 - The Council will meet more flexibly and for variable lengths of session as appropriate to the agenda (normally a minimum of 5 sessions per biennium): and

2.20 - There will be a short meeting (minimum two days) after each session of the Programme and Finance Committees.

Original and revised cost estimate: USD 1.4 million in 2010-11 for contractors/PSAs for interpretation/translation and temporary assistance (USD 1 million), plus travel/DSA for Council Members (USD 0.4 million) - estimates for holding five 4-day Council sessions (20 days per biennium - 6 days more than current practice) and for holding four 2-day meetings (8 days per biennium) after each PC/FC session.



2.22 - The Council Report will consist of conclusions, decisions and recommendations (verbatim to provide detail and be published in all languages)

Original cost estimate: USD 0.85 million in 2009 and USD 1.7 million in 2010-11 for translation/printing of verbatim records in all languages. Estimate covers translation of 28 days of proceedings in six languages.

Revised cost estimate: USD 0.85 million in 2009 eliminated as translation of verbatim records will be introduced from 2010-11 if so agreed by Members.

Programme and Finance Committees

2.44 - Programme and Finance Committees membership, chairs and observers: - Changes will be introduced in the Basic Texts, including for the election of members.

Original and revised cost estimate: USD 0.06 million in 2009 and USD 0.12 million in 2010-11 for temporary assistance and technical arrangements (USD 0.03) and travel/DSA for Members (USD 0.03).

Regional Conferences

2.52 - Changes in lines of reporting, functions and ways of working will be introduced immediately in practice and followed-up by Basic Text changes, including changing the status of the Regional Conferences to Committees of the FAO Conference.

Original and revised cost estimate: USD 0.40 million in 2009 and 2010-11 for travel /DSA of Chairs or Rapporteurs.

Ministerial meetings

2.66 - Basic Text Change to specify that the Conference or Council may call a Ministerial meeting when matters developed at technical level need political endorsement or more visibility.

Original and revised cost estimate: USD 0.05 million in 2009 and USD 0.10 in 2010-11 to cover translation/interpretation for two meetings.

Statutory Bodies, Conventions, Treaties, Codex, etc.

2.69 - Undertake a review with a view to making any necessary changes to enable those statutory bodies which wish to do so to exercise financial and administrative authority and mobilise additional funding from their members

Original and revised cost estimate: USD 0.30 million in 2010-11 estimated to cover the cost of experts to carry out the review.

Further Actions to improve the effectiveness of FAO Governance

2.71 - a) Prepare a multiyear programme of work of at least four years duration, once per biennium which will be reviewed by the Council and/or Conference (in accordance with their respective reporting lines)

Original and revised cost estimate: USD 0.10 million in 2009 and USD 0.20 million 2010-11 to cover Programme of Work production and translation.

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2.74 - The Conference will assess the workings of the governance reforms, including the role and functioning of the Regional Conferences with an independent review as an input to this process.

Original and revised cost estimate: USD 0.80 in 2010-11 to cover the cost of consultants to carry out evaluation.

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2.76 Costs of revising the Basic Texts for all Governing Bodies: Work to be carried out by Legal Office and CCLM for revisions of Basic Texts

Original and revised cost estimate: USD 0.10 in 2009 and USD 0.10 in 2010-11 for translation and interpretation of additional CCLM sessions.

Appointment and Term of Office of the Director-General

2.95 Introduce procedures and Basic Text changes to strengthen opportunity for the FAO membership to appraise candidates for the post of Director-General prior to the election

Original and revised cost estimate: USD 0.10 in 2010-11 for travel/DSA of candidates to the post of Director-General.

Project 2 – Oversight**Evaluation**

2.78 Evaluation Budget: The evaluation Regular Programme budget will be increased to 0.8-1.0% of the total Regular Programme Budget (over two biennia)

Original and revised cost estimate: USD 4.50 in 2010-11 estimated to cover the additional share of Regular Programme budget for the Independent Evaluation. The actual amount will only be known at the next PWB.

Audit

2.91 - In line with current policy, the work of the Inspector-General's office will be extended to cover all major organizational risk areas, making use of external expertise as necessary.

Original and revised cost estimate: USD 0.15 in 2009 and USD 0.30 in 2010-11 estimated to cover the increase in AUD's budget by the listed allotment on a yearly basis to ensure external expertise and consultants can be obtained to complement AUD's expertise in order to address the major organizational risk areas.

Annex 4 – Original and revised estimated costs for Thematic Group 2 – Focus on member needs through results based programming, monitoring, reporting and resource mobilization

Project 3 – Reform of Programming, Budgeting and Results Based Monitoring

FAO Strategic Objectives and the New Results-Based Framework

1.6 - Develop results-based monitoring system

3. 6 – Introduction of a Revised Implementation Performance Results Based Management monitoring system and report: each report will cover the previous biennium and report on delivery, and targets and indicators of results as well as efficiency indicators for the functional objectives. This report will replace the current Programme Implementation Report

Original and revised cost estimate: USD 0.2 million for 2009 and USD 0.2 million in 2010-11 for contractors/PSA (two consultants)

Short term expert advice (12 workmonths) to PBE/OSP on developing the results-based monitoring system and incremental cost of implementing system changes for monitoring and reporting.

Reform of Programming, Budgeting and Results Based Monitoring

3.1 - Introduction of Revised Programme and Budget Documentation

Original and revised cost estimate: USD 0.2 million in 2009 and USD 0.8 million in 2010/11 for contractors/PSA (two consultants)

2009 investment: Short-term high level expert advice (10 workmonths) for assistance to PBE and departments in formulating the new results-based framework in the SF, MTP and PWB, and building on experience of benchmark organizations (ILO, WHO, UNIDO, World Bank)

2010-11 recurrent: Incremental resources (P4, P3) to strengthen capacity of OSP on results-based management.

Publishing in all languages of the Organization

3.57 – Separate mirror websites to the FAO website will be developed for Arabic and Chinese

Original and revised cost estimates: USD 0.2 million in 2009 and USD 0.1 million in 2010-11 for contractors/PSA . Letters of agreements will be signed with partner institutions to develop (i) an application layer that will convert, using AGROVOC, Arabic and Chinese keywords in English and retrieve documents matching the search criteria not only in Arabic, or Chinese, but also in English (ii) another application layer that will send to Google, the standard FAO web search engine, original keywords typed in Arabic and Chinese, and related translation in English. This will increase the number of web pages retrieved by Google when Arabic and Chinese is used to find web sites. Finally, a pilot project will be conducted to test automatic translation for FAO webpages.

Design the new Planning and Budgeting Model which will manage both Regular Program and Extra-Budgetary funds

5.32 – Management will focus on refinement of the draft elements of the Strategic Framework, Medium Term Plan and PWB 2010-2011 and streamlining of the planning process, including integration of voluntary contributions.

Original and revised cost estimates: Root and Branch review (Stage 1) estimates - USD 0.25 million in 2009 and USD 0.5 million in 2010-11.

Identify the areas of improvement and define the actions for the enhancement of the Results-Based Management (RBM)

5.34 – Management will focus on refinement of the draft elements of the Strategic Framework, Medium Term Plan and PWB 2010-2011 and streamlining of the planning process, including integration of voluntary contributions. These elements will provide the overall framework for results-based management in FAO. The definition of the new reporting system would take place in the second part of 2009.

Original and revised cost estimates: Root and Branch review (Stage 1) estimates - USD 0.15 million in 2009 and USD 0.8 million saving in 2010-11

Project 4 – Resource Mobilization and Management

Resource Mobilization and Management Strategy

3.12 – To supplement Assessed Contributions, projected extra-budgetary resources will be integrated within the programming and budgeting process, including the definition of Impact Focus Areas, while recognising that extra-budgetary funding is not fully predictable (see also paragraphs 8 and 33).

Original cost estimates: USD 0.7 million in 2009 and USD 0.7 million in 2010-11

Revised cost estimates: USD 1.4 million in 2010-11

Investment costs were shifted from 2009 to 2010-11 – The investment costs mainly relate to the development of the communication strategy at all levels of the Organization and to systems support. This can only happen once roles and responsibilities of DOs have been refined/clarified and the IT approach for DOs decided.

Investment costs – communication strategy and related tools and resource mobilization systems support

Recurrent costs – additional capacity in OSP/TC for the development and implementation of the resource mobilization strategy

Recurrent costs – additional travel resources in OSP/TC for support to the Decentralized Offices when developing the strategies (e.g. to Regional Conferences, Summits in Region) and for support during workplan preparations and implementation monitoring.

Annex 5 - Original and revised estimated costs for Thematic Group 3 – Functioning as one organization by aligning our structures, roles and responsibilities to the results framework

Project 5 - Technical Cooperation Programme

Technical Cooperation Programme

3.22 TCP resources to be allocated to regions under the authority of Regional Representatives, except for 15% retained under the authority of the Department responsible for Technical Cooperation for use in emergencies and 3% for inter-regional projects.

Original cost estimate: USD 0.50 million in 2009 for translation and production costs of training materials and USD 0.20 million in 2010-11 for a Help Desk function for the 1st year, or up to maximum 15 months duration, and travel of decentralized staff to complete required training in the decentralized TCP management. The savings of USD 0.90 million in 2010-11 are created by the abolishment of posts in TCOT due to decentralization of the TCP.

Revised cost estimate: For 2009 investment costs, a more detailed estimate is now available including more accurate estimates for translation and production costs of training materials. USD 0.53 million in 2009 and USD 0.28 million in 2010-11.

Project 6 - Decentralization

Decentralization

3.87 - Redefine job descriptions, profile of competencies (including policy competence), recruitment and performance appraisal procedures (open competitive) for Regional ADGs, Sub-Regional Coordinators and FAORs.

Original and revised cost estimate: USD 0.10 million in 2009 for consultancy support for the more specialised aspects of the decentralized application of new HR policies and procedures.



3.88 - Introduce benchmarks and a performance-based reporting and monitoring system for decentralized offices.

Original and revised cost estimate: USD 0.40 million in 2009 and USD 0.70 million for specialized consultancy support in conceptualisation of the system and procedures, implementation of data collection, treatment and reporting procedures including application development.



3.90 Deployment of Support Systems (including training and upgrade of IT Information Systems)

Original cost estimate: USD 0.5 investment costs and USD 0.7 million recurrent costs in 2009 and

USD 0.8 million investment costs and USD 3.4 million recurrent costs in 2010-11.

Revised cost estimate: USD 0.5 investment costs and USD 0.6 million recurrent costs in 2009 and USD 1.0 investment and USD 3.2 million recurrent costs in 2010-11.

Changes in costs indicated the original IPA estimates are partly due to more accurate data being available, and partly due to reduced recurring costs due to the start date being deferred.

The investments can be considered to cover four distinct areas. The first covers network connectivity upgrades for FAO Representations in order to be able to effectively use Oracle, DataWarehouse, Intranet/InTouch and collaborative tools. These network upgrades are in the form of Wide Area Network bandwidth upgrades (to 256kbps) where a dedicated network is in place, or in upgrades to local Internet connections. The costs are approximately 0.5M one-time (0.2M in 2009 and 0.3M in 2010-2011) and 1.6M ongoing (0.2M in 2009 and 1.4M for 2010-2011).

The second area covers the building of a high-performance data network to link HQ to Regional and Sub-Regional Offices which would permit the use of high-bandwidth applications, including voice,

videoconferencing and streaming between these Offices. The costs are approximately 0.9M one-time (0.3M in 2009 and 0.6M in 2010-2011) and 0.9 M ongoing (0.2M in 2009 and 0.7M in 2010-11).

The third target area covers the enhancement of decentralized IT support. There will be increased reliance on Oracle and other network services, combined with increased importance of the availability of these services, and this investment is required in order to be able to provide round-the-clock effective and timely support to all Decentralized Offices. The costs are approximately 0.2M one-time (0.2M in 2010-11) and 0.8M ongoing (0.1M in 2009 and 0.7M in 2010-11).

The fourth covers additional resource required to provide assistance to Decentralized Office users in effectively using information systems, estimated for 0.4M ongoing in 2010-11.

Project 7 – Headquarters Structure

Headquarters Structure

3.96 - e) delayering of D level posts (27 to be abolished for 2010-11 biennium)

Original and revised cost estimate: A saving is foreseen of USD 17.4 million in 2010-11. The savings estimate of USD 17.4 million is based on reaching 40 delayerings by 2011 (13 under efficiency savings and 27 additional). The estimate includes savings of USD 13.3 million from 27 D-level delayerings and savings of USD 4.1 million from the abolition of related support posts.



3.98 - Approve in principle the apex of the Structure of Headquarters Departments and the Senior Executive Management (see below) for introduction in 2010, subject to any adjustments indicated by the functional analysis.

Original cost estimate: USD 0.5 million investment and USD 17.4 million recurrent costs in 2010-11 (linked to 3.96) The savings resulting from the HQ delayering are reinvested under this item to strengthen technical programmes.

Revised cost estimate: The USD 0.5 million investment costs will be divided into USD 0.25 million in 2009 and USD 0.25 million in 2010-11.

Review the roles of internal committees

5.19 - Analysis of how to rationalize the current number of internal committees

Original and revised cost estimate: From Root and Branch review (Stage 1 report). USD 0.25 million in 2009 and USD 0.25 million in 2010-11 will be required to initiate work on implementation. A saving of USD 0.8 million is foreseen in 2010-11.

Strengthen IT Governance

5.36 - The necessary staffing actions to consolidate IT governance will be planned in 2009 as input to the PWB 2010-11.

Original and revised cost estimate: From Root and Branch review (Stage 1 report). USD 0.5 million in 2009 and USD 1 million in 2010-11 will be required to initiate work on implementation.

Project 8 – Partnerships

Partnerships

3.109 - Stocktaking of partnerships including the potential for greater partnership with the private sector. Undertake assessment and launch new or renewed partnerships.

Original cost estimate: USD 0.1 million in 2009 and USD 0.2 million in 2010-11 will be required for consultancy support.

Revised cost estimate: USD 0.24 million in 2010-11 is due to calculation of projected costs for recruitment of a senior consultant for the stock-taking exercise for 12 person/months in the biennium.



3.11 - Preparation of a short-term agenda of initiatives (12 months) that will generate outcomes and outputs and preparation of a medium-term action plan in line with the Medium Term Plan (4 years), including development and implementation of a training programme.

Original cost estimate: USD 0.2 million investment and 0.06 recurrent costs in 2009 and USD 0.12 million in 2010-11 required for consultancy support, external contracts and travel/DSA.

Revised cost estimate: USD 0.18 million in 2010-11 due to a reallocation of the resources from 2009 to the biennium 2010-2011 so that recurrent costs amount to USD100,000 per annum.



3.117 - Establishment of a monitoring mechanism to ensure feedback and iterative improvement of partnership collaborations and of the FAO strategy.

Original cost estimate: USD 0.14 million in 2009 and USD 0.14 million in 2010-11 for consultancy support.

Revised cost estimate: The additional resources of USD 0.40 million in 2010-11 to cover resources for a senior consultancy to establish a monitoring and evaluation mechanism to ensure feedback and iterative improvement of partnership collaboration and of the FAO strategy. This will also involve the decentralized offices and external partners.

Annex 6 – Original and revised estimated costs for Thematic Group 4 – Efficient use of member contributions through reform of administrative and management systems

Project 9 – Reform of Administrative and management systems

Reform of administrative and management systems

3.44 – Conduct of the Root and Branch Review

Original and revised cost estimates: USD 2.4 million in 2009 for contractors/PSA and external contracts.

These costs are being incurred in funding of the Root and Branch Review.



5.22 – Transfer of low value added transactional nature to the SCC – Assessment of the current model

Original and revised cost estimates: USD 0.5 million in 2009 and USD 0.5 million in 2010./11 for contractors/PSA.

USD 0.3 million is estimated as the cost of the assessment of the SSC model in 2009 and a further USD 0.3 million in 2010 for assistance in the definition and transfer of low value added or transactional activities in 2010. A further USD 0.2 million is estimated with the travel and training costs related to start up activities in the SSC for the offshored activities.



5.48 – Management will be guided by the outcome of the RBR Stage 2 report in April 2009, and will undertake, starting in 2009, development of business cases for alternative sources of service provision (offshoring, SSC, outsourcing, partnership, etc.) for administrative services determined by the RBR to be appropriate for further analysis.

Original and revised cost estimate: USD 0.15 million in 2009 for external contracts and a saving of USD 0.4 million in 2010-11.



5.49 – Implementation in 2009 with a revision-redesign of the project models and processes

Original and revised cost estimates: USD 0.15 million in 2009 and a saving of USD 0.4 million in 2010-11



5.51 – Develop the registered vendors management towards an active suppliers management (partnership principles)

Original and revised cost estimate: USD 0.15 million in 2009 for contractors/PSA and a saving of USD 0.2 million in 2010-11

5.52 – Rationalize logistics and delivery processes.

Original and revised cost estimate: USD 0.25 million in 2009 and USD 0.25 million in 2010-11 for contractors/PSA.



5.55 – Management will be guided by the outcome of the RBR Stage 2 report in April 2009, and will undertake, starting in 2009, development of business cases for alternative sources of service provision (offshoring, SSC, outsourcing, partnership, etc.) for administrative services determined by the RBR to be appropriate for further analysis.

Original and revised cost estimate: USD 0.4 million in 2009 and USD 0.6 million in 2010-11 contractors/PSA and external contracts.



5.5 – Critical and integrated review of all objectives, definition of SLAs and of a dashboard.

Original and revised cost estimates: USD 0.25 million in 2009 for contractors/PSA.



5.14 - The role of ODG will be integrated as part of the development of organizational changes leading to the PWB 2010-11

Original and revised cost estimates: USD 0.3million in 2009 and a saving of USD 0.2 million in 2010-11 for contractors/PSA.



5.57 – Management will be guided by the outcome of the RBR Stage 2 report in April 2009, and will undertake, starting in 2009, development of business cases for alternative sources of service provision (offshoring, SSC, outsourcing, partnership, etc.) for administrative services determined by the RBR to be appropriate for further analysis

Original and revised cost estimate: USD 0.15 million in 2009 and USD 0.15 million in 2010-11.

The cost estimates for all of the above actions have come from the Root and Branch Review Stage I report. Management will await the RBR Stage 2 (detailed) report in April to be in a position to fully confirm the cost estimates and/or revise if necessary. Thus a final cost estimate will be given in late April after the RBR Stage 2 delivery.

Project 10 – FAO Manual

FAO Manual

5.8 – Review and streamlining of policies and procedures

Original and revised cost estimates: USD 0.5 million in 2010-11 for contractors/PSA

A project team is being established, in which WFP has agreed to participate, to review jointly the conceptualisation and modification of the Administrative Manual. The objective is to create a joint FAO/WFP Administrative Manual that meets the requirements of both organisations, The requested funds are to recruit an HR specialist possessing the requisite skills and competencies (i.e. extensive knowledge of UN common system, its framework of regulations and rules as well as the necessary drafting and analytical capacities) for the established timeframe of the project. Based on a market survey conducted on the basis of consultations with other UN organisations, the average cost of consultants has been determined and multiplied by the number of months envisaged to complete the project.



5.11 – Design and implementation of roles and responsibilities of the new compliance function

Original and revised cost estimates: USD 0.3 million in 2010-11 for external contracts

An effective and functional Administrative Manual that would meet the requirements of the functional entities as well as clients would have to be based on a 'user-friendly' electronic format, which would allow for electronic links between the Manual and related sets of procedures and would comprise an rapid search engine. Following preliminary discussions with KCT staff, a cost estimate for such an electronic (IT) system has been estimated as reflected above.

Project 11 – IPSAS and Oracle

IPSAS and Oracle (IPSAS project costs are covered via Chapter 8 – the Capital Expenditure of the PWB and were not part of the IPA cost estimates)

5.38 – Upgrades of Oracle and the telecommunications facilities to Decentralized Offices as specified in IPA

Original cost estimate: USD 0.75 million in 2009 and USD 1.5 million in 2010-11 for contractors/PSA (functional, technical and project management resources)

Revised cost estimate: USD 2.35 million investment in 2010-11

This item is to update information systems to support IPA implementation. The costs of this action will vary depending on Organizational requirements including ramifications of IPA related activities to information systems. The cost estimate is based on previous Oracle upgrade projects of a similar nature and is expected to be more realistic in late 2009 when requirements from other IPA projects become clearer.

Resources associated with this work include IT specialists in Oracle e-Business Suite and associated technologies (database, infrastructure), project support specialists, QA personnel and functional experts familiar with the business aspect of the various modifications/upgrades.



5.40 – The initial phase of the MIS (Management Information System) project (to identify requirements) will commence in 2009

Original cost estimate: USD 1.5 million in 2009 and USD 3.5 million in 2010-11 for contractors/PSA (functional, technical and project management resources)

Revised cost estimate: USD 0.3 million for 2009 and USD 4.2 million in 2010-11 investments and USD 0.5 million recurrent in 2010-11

There are 3 aspects to MIS for this period: (1) the purchase and implementation of a Business Intelligence (BI) platform, (2) the establishment of an MIS framework and, (3) development of MIS outputs (BI content). The costs associated with (1) and initiation of (2) are covered by 2008-09 Capital Expenditure funds. Delays in completion of the tender associated with (1) and delays in the initiation of (2) have necessitated that some of the work associated with developing MIS outputs be moved to 2010-11 biennium. As such, most of the 2009 costs have been deferred to the next biennium (2010-11).

Work in 2010-11 will concentrate on items (2) and (3). These are very high level estimates because the requirements of the Organization in terms of MIS outputs have not yet been quantified. The introduction of the BI platform and subsequent training of Content Authors during 2009 will allow for a more effectively identification and confirmation of requirements and produce more accurate cost estimates.

Resources associated with this work include: BI specialists (support & development) for (1). For (2) project support personnel, functional and technical analysts in the area of information and data management. For (3) project support personnel, business analysts, BI content authors and technical support personnel.

Project 12 – Enterprise Risk Management

Enterprise Risk Management

3.5 – Issue an external contract for the study; and

3.52 – Development of follow-up action plan; and

5.29 - ERM key enabler to find the right balance between cost of risks and costs of controls

Original cost estimate: USD 0.6 million in 2009 and USD 1.8 million in 2010-11 for external contracts

Revised cost estimate: USD 0.5 million for 2009 and USD 2.0 million in 2010-11

Revised estimates vary only marginally from the original.

Discussions with two leading risk management consulting firms indicated that the total cost of the project would be USD2.5 m. Phase I which would include the initial review of FAO's risk assessment structure (gap analysis), development of a customized risk management framework, testing the framework and developing an implementation plan for full implementation, was estimated at USD 1.0m (i.e., USD 500K in 2009 and USD 500K in 2010). Phase II would entail full implementation of USD 1.5m.

Annex 7 – Original and revised estimated costs for Thematic Group 5 – Optimizing human resources through HR policy, practice and culture change

Project 13 – Culture Change

Institutional Culture Change

3.30 - Develop terms of reference, and appoint, an External Facilitator and change team

Original cost estimate: USD 1 million in 2009

Revised cost estimate: USD 1.1 million in 2009 for full time secondment of P2 staff to assist with the activities of the CCT; backfill of CCT members; cost of the external facilitator.



3.31 Development of internal vision

Original cost estimate: USD 0.5 million in 2009

Revised cost estimate: USD 0.42 million in 2009 for capacity building of CCT members, outreach to decentralized offices, surveys, etc.

Ethics

3.33 Appointment of an Ethics Officer, functioning of the office, and training of staff

Original and revised cost estimates: USD 0.2 million investment costs in 2009, USD 0.4 million recurrent costs in 2009 and USD 0.80 million in 2010-11 for consultancy required for 2 months to develop the requisite framework for introduction into the HRMS.

Project 14 – Human Resources

Human Resource Policies and Practices

3.59 - Maintaining the primary criteria of staff and consultant selection on the basis of merit, implement an effective policy for geographical and gender representation, particularly regarding developing countries

Original and revised cost estimates: USD 0.08 million investment costs in 2009 for a training module for gender parity and development of a training course for managers, USD 0.07 million recurrent costs in 2009 and USD 0.14 million in 2010-11 use of an external recruitment company to help identify qualified women candidates at P-4 to ADG levels.



3.60 - Introduce a package for increasing staff training, including in management

Original and revised cost estimates: USD 1.7 million investment costs in 2009, USD 0.9 million recurrent costs in 2009 and USD 1.8 million in 2010-11 to cover increasing training in two key areas: a) Management Development and b) PEMS training.

For the management component, there is need to guide and prepare promising P3s and P4s as future leaders in an Accelerated Management & Leadership Programme (AMLP). USD 700K investment cost will cover the costs of consultants, coaches, assessment tools, etc for this cadre of staff and working toward succession planning for the Organization. NB. This is a parallel activity to the increase in developing the managerial capacity of present managers through the expansion of the Rome-based agencies Management Development Centre (MDC) and the complementary Management Leadership Programme to be introduced in 2009. The above recurring costs of USD 0.9 million in 2009 and USD 1.8 million in 2010-11 will cover the cost of delivery of AMLP courses.

For the PEMS component of USD 1.0 million investment in 2009, there is a need to train staff not only on the PEMS process but also to provide the soft skills needed to participate in the process. The training package comprises all three phases related to PEMS i.e. the Planning phase, the Mid-year phase and the Year-end phase. There is also an introductory accredited one-day workshop that is part of the initial training that is fundamental not only to explain the concepts behind how an effective performance management

system works but also to obtain 'buy in' from FAO staff-at-large who, in the outstanding majority of cases, have never been part of such a system. The training package being adopted has been tried and tested by UNFPA, who has had the most successful performance management system in the UN. This funding is essential to have all staff trained and ready for full PEMS roll-out in 2010.



3.61 - Establish an incentive based rotation policy in HQ and between HQ and the decentralized offices with clear criteria

Original and revised cost estimates: USD 8.8 million in 2010-11 for rotating staff including assignment grants.

The cost estimates for the rotation policy were based on information obtained from WFP related to the average costs incurred by the Programme in rotating its staff. While it is true that several of the UN common system organisations have introduced rotation or mobility policies for their respective staff, each organisation's policy has been formulated taking into consideration the nature as well as programme exigencies of their respective organisation. The field-oriented organisations (namely funds and programmes dealing with humanitarian activities such as UNICEF, UNHCR, WFP et. al) have tended to implement mandatory rotation policies whereas the specialised agencies have tended to adopt targeted and/or incentive based rotation policies. Rotation and mobility are indeed fundamental and core HR instruments that enhance organizational performance, staff motivation and expertise. It is in recognition of their importance that FAO is advocating the introduction of a targeted (i.e. the targeting of specific technical posts whose incumbents will be subject to rotation) and incentive based (i.e. staff who would volunteer to rotate as part of their career development path) rotation policy. Those organisations which have instituted rotation/mobility policies have the related costs factored in their respective budget. However, in the case of FAO, the policy has not yet been instituted and any resulting costs would have to be factored into the Organization's budget since a substantial additional recurrent cost would be incurred above and beyond the costs normally incurred with the present sporadic mobility of staff (i.e. the transfer of staff from one post/duty station to another during the course of the biennium) As for the breakdown of the cost estimates provided in the IPA plan for this policy, the estimate of the incremental costs is based on an average cost of US\$ 55,000 per rotation (or move of a staff member) and 80 rotations per year. The cost per move would vary depending on whether the staff member is at the single or dependency rate (i.e. with or without a dependent family and whether or not entitled to the related benefit packages) and can include: storage or removal of household goods, rental subsidy, mobility allowance, hardship allowance, twelve months home leave cycle and special education grant travel.

The figure of 80 was derived on the basis of what was deemed to be a realistic target for delivery in the initial phase of the introduction of the policy (i.e. 40 additional positions or 3.2% of the total international professional regular programme positions) and multiplied by two as each move to a specific post would imply the reallocation of two staff members, namely the one being transferred to a post and the incumbent of that post being transferred from that post. It is stressed, however, that the rotation policy is still under development and the cost estimate is therefore dependent upon the finalization of the policy.



3.62 - Establish a joined-up and consistent system for the recruitment and development of young professionals, particularly from developing countries.

Original and revised cost estimates: USD 2 million in 2010-11 for posts at the P1 and P2 grade.

The JPP policy that is currently under consideration by the Organization envisages the establishment 20 P-1s and 15 P-2s within the next biennium. Most of these posts would be handled through regradings. The cost reflected in the IPA is for 10 P-1/P-2 additional posts. The total cost of the establishment of these posts, as reflected in the table, is based on the standard rates for P-1s and P-2s and as these would be on-going posts as part of the programme, they have been reflected as recurrent costs. As incremental costs, they result in an increase in programme delivery wherever such posts are established.



3.64 – Wider publication of FAO vacancies

Original and revised cost estimates: USD 0.1 million in 2009 and USD 0.2 million in 2010-11 to cover external contracts for targeted advertising of FAO positions in journals and publications as well as the creation of a database of specialised institutions and website where FAO vacancies may be disseminated. These institutions and sites would be selected with the expectation that they would yield the highest returns

in terms of qualified applicants possessing qualifications in the Organization's fields of activities, particularly individuals who are nationals of non- and under-represented countries. The estimated cost of setting up the database is USD 20,000 . The recurring cost includes the estimated cost of maintaining the database and the cost of issuing vacancies in technical publications as well as on targeted websites, noting that in major publications advertisements would be made for a group of vacancies.



3.66 - Revise competency profiles for Regional Representatives, sub-regional coordinators and FAORs, including competencies in management and policy support

Original and revised cost estimates: USD 0.1 million in 2009 for external experts assisting in competency framework.



3.67 Introduce transparency and competitive policies for recruitment of consultants with measures to ensure attention to geographical and gender balance

Original and revised cost estimates: USD 0.1 million in 2009 and USD 0.1 million in 2010-11 to cover the cost of external contracts.

The estimated cost is related to the establishment of a system module that would enable the departments to adhere to the requirement of considering several candidates for any specific consultancy. This system module would feed into the corporate roster for staff which would be enlarged to comprise a section on non-staff (i.e. consultants and other independent contractors) categorised by area of specialisation. The investment cost is for a consultant for the development of the module, and the recurring cost is for its maintenance to ensure it is kept up to date and relevant.



3.68 - Rationalise the use of FAO retirees who will not be rehired for at least six months after their retirement from FAO

Original and revised cost estimate: USD 1 million in 2009 and USD 2 million in 2010-11

This is an estimate for the additional cost of encumbered posts instead of vacant posts where the work is carried out by retirees or NSHR.



3.70 - Introduce an objective staff appraisal system linking staff performance to organizational objectives based on realistic performance targets and objective assessment criteria

Original cost estimate: USD 1.7 million investment costs in 2009 and USD 0.7 million investment costs in 2009, USD 1 million investment costs in 2010-11 and USD 0.7 million recurrent costs in 2010-11.

Revised cost estimate: USD 0.7 million investment costs in 2009, USD 0.7 million recurrent costs in 2009 and USD 1.4 million recurrent costs in 2010-11.

Investment estimate for 2009 is based on the Workforce Performance Management Project -WPMS Budget as per approved Project Document. An online WPMS fully integrated with ORACLE, will serve as a comprehensive support to the new Result-Based culture by promoting high performance, delegation and accountability. The revised 2009 investment cost estimate is effectively bringing forward all investment costs from 2010-11 to 2009 to have early implementation of the system so that Oracle/PEMS can be rolled out to all departments and field offices by early 2010. The recurring costs are for staff positions to maintain the PEMS system as well as ongoing maintenance costs.



3.72 - Upgrade the Oracle systems to i) improve ease of data extraction and analysis and ii) to support substantive staff management, rather than purely transaction processing

Original and revised cost estimates: USD 0.5 million in 2009 and USD 0.8 million in 2010-11 to cover external consultants working on Oracle.

A Project Initiation Document has been developed that provides a detailed cost breakdown of the funds required to complete the third and ultimate phase of the HR Management Information Reporting project. The completion of this module will support the eventually complement the corporate Management Information System.



3.73 - Establish a staff redeployment fund initially funded from extra-budgetary resources and subsequently funded from a proportion of staff costs

Original cost estimate: USD 12.4 million investment in 2010-11 and USD 5 million recurrent in 2010-11.

Revised cost estimate: USD 9 million investment in 2010-11.

The investment cost relates to the estimated cost of implementing the proposed delayering at headquarters. The costs would cover redeployment and/or separation costs for the D-level and associated support staff affected by the delayering. The current estimate is lower than the initial estimate for two reasons: 1) a higher number of cases are expected to be resolved before the beginning of the 2010-11 biennium, therefore lowering the estimate for unbudgeted staff costs and 2) a higher number of cases are expected to be resolved through redeployment rather than through agreed terminations.

The recurrent cost estimate relates to the establishment of a fund for the continuous renewal of the staff structure.



5.16 - Revision and re-design of the HR role providing the adequate skill mix and proper supporting tools.

Original and revised cost estimates: Investment of USD 0.75 million in 2009 and USD 0.75 million in 2010-11 to continue the refinement of processes from transactional HR to strategic HR with external consultancy firm.



5.42 - Management will review the capacities of and requirements for HR professionals in 2009 as part of the planning for PWB 2010-11 to complete the competency framework.

Original and revised cost estimates: USD 0.25 million in 2009 and USD 0.25 million in 2010-11 to cover external contracts to assist in completing the Competency Framework.



5.45 - Management will review the capacities of and requirements for HR professionals in 2009 as part of the planning for PWB 2010-11 to review the Accountability Framework and unambiguous assignation of the responsibilities on each HR process among AFH and other entities (other departments, DOs, SSC).

Original and revised cost estimates: USD 0.25 million in 2009 and USD 0.25 million investment in 2010-11 to cover external contracts to assist in bringing the HR function to strategic level. A saving of USD 0.4 is foreseen in 2010-11.