





Major corporate initiatives in 2006

Children learn to read and write at Liushu elementary school in Dongxiang County, Gansu Province, China. An IFAD-supported programme is strengthening primary education in the province by repairing school buildings and finding ways to reduce the drop-out rate, particularly among girls.

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IFAD's Action Plan for Improving its Development Effectiveness

The goal of the Action Plan is to increase IFAD's development effectiveness by improving its performance in three areas: relevance, effectiveness and efficiency. IFAD will work to meet three targets by 2009:

- 100 per cent of IFAD programmes and projects will be consistent with country development strategies and priorities
- 80 per cent of IFAD programmes and projects will achieve their development objectives
- 60 per cent or more of IFAD programmes and projects will have a high or substantial level of efficiency

During 2006, IFAD staff continued to take action in four areas:

- strategic planning and guidance
- the new operating model
- knowledge management and innovation
- human resource management

Within these action areas, IFAD assigned staff to work on developing a set of products, known as deliverables. Work progressed as planned during 2006, with a number of key deliverables completed on schedule. They included:

- IFAD's Strategic Framework 2007-2010
- the results-based country strategic opportunities paper (COSOP)
- a revised project approval format
- the Policy on Supervision and Implementation Support

An analysis of staff workload was also completed and will contribute to change in the area of human resource management.

IFAD's Strategy for Knowledge Management was presented to the Executive Board in December and will be revised and resubmitted for the Board's consideration in April 2007.

IFAD was also on track for Action Plan products scheduled for delivery in 2007. During 2008, changes and reforms will be consolidated and will be mainstreamed into the line functions of the organization.

Corporate planning and performance management system

Strengthening IFAD's organizational effectiveness is vital to raising the quality of its field-level operations and to improving its development effectiveness. In 2006, the organization developed a new corporate planning and performance management system. The system serves to:

- better focus, align and manage the work IFAD performs
- ensure increased coherence between IFAD's country-level activities and the management of its budget, human resources and internal processes

The system will strengthen the focus on results at all levels and across all units, and will play an essential role in delivering a results-based budget for 2008.

A series of corporate management results have been defined and are derived from the targets of IFAD's Action Plan for Improving its Development Effectiveness (see above). Each of them has key performance indicators. A number of these indicators are drawn from the Common Performance Assessment System (COMPAS) initiative

implemented by the five main multilateral development banks (the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank and the World Bank). Alignment with COMPAS is a key feature of the new management system, as it will permit comparison and benchmarking with similar organizations, further contributing to improving IFAD's performance.

Divisional management plans are being prepared as a key part of the corporate planning and performance management system. They are expected to strengthen performance by more closely aligning work plans from individual to corporate levels with IFAD's development effectiveness targets. They are also expected to better prioritize activities that work towards achieving those targets. Beginning in 2007, reporting on work plans will be done on a quarterly basis and will utilize a new online system that makes it possible to efficiently produce reports on key performance indicators and to track performance through a 'traffic light' system. Risk management is an integral feature of the corporate planning and performance management system. It paves the way for an integrated approach to risk management at the institutional level.

Initiative for Mainstreaming Innovation

During 2006, the Initiative for Mainstreaming Innovation (IMI) moved into the second phase of its implementation plan, which covers three action areas over three years:

- learning in 2005
- institutionalization in 2006
- consolidation in 2007

The IMI contributed to preparations for the twenty-ninth session of IFAD's Governing Council by publishing two background papers for the panel discussion on innovation challenges for poor rural people, and also by cofunding, with the Government of the Italian Republic, the first global consultation of the Farmers' Forum.

The first annual review of the IMI, carried out by the United Kingdom's Department for International Development (DFID) in March 2006, noted that "good progress has been made ... the IMI has contributed to a much greater level of discussion on innovation within the organization." To foster innovation in the field, the review also recommended that IFAD scout for innovations in rural development and harvest successful experiences more systematically, to provide models for potential replication.

As part of work to meet the IMI's objective of encouraging cultural change within IFAD, the field immersion pilot programme started in April 2006. It is designed to encourage hands-on experience and learning opportunities for staff. Twelve participants from across IFAD were selected to live and work for five days with rural communities of the Development of the Puno-Cusco Corridor Project in Peru.

A progress report on the IMI's main phase was submitted to the September session of the Executive Board to inform members of achievements and future plans for the initiative.

A new IMI Implementation Strategy was designed and presented to senior management in December 2006 in response to the annual review, and to align the programme to the wider objectives of the deliverables of IFAD's Action Plan for Improving its Development Effectiveness. The strategy also lays the foundations for the IFAD innovation strategy, which is to be presented to the April 2007 Executive Board. The strategy will show how IFAD intends to meet the organizational challenges posed by its role as promoter of innovations in the field, and how it will adopt more innovative ways of working and of funding more innovative programmes.